A CASE STUDY OF THE SOCIO-ECONOMIC CONDITIONS OF A FACTORY IN JOHOR

Lim Lay Kheng
Matric No. 041963

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DEPARTMENT OF ANTHROPOLOGY AND SOCIOLOGY
UNIVERSITY OF MALAYA
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SYNOPSIS

This graduation exercise tries to look at the process of industrialization by focusing on events at factory level. This is a case-study of a manufacturing company, comparing the socio-economic conditions of its two factories and its workers.

Based on observations and interviews, this study first tries to give a comprehensive picture of production process, capitalization, the research methodology and the organisational structure.

Secondly, it deals with the labour force and company policies which determine the conditions of work for the workers. How the workers perceive their work is also dealt with. The differences in behaviour and attitude of groups of workers are shown to be related to their races, age, sex, income level, educational level, etc.

The area of labour-management relationship in one of the factories is also covered, showing the development of the trade union and its activities as well as the problems faced in the relationship between the two parties involved in production.

SINOPSIS

Latihan ilmiah ini cuba meninjau proses industrialisasi dengan memberi fokus ke atas kejadian-kejadian yang berlaku di peringkat kilang. Ini hanya satu kajian kes mengenai sebuah syarikat perusahaan (penghasilan barang-barang), dengan membandingkan keadaan-keadaan sosio-ekonomi kedua-dua kilangnya serta pekerja-pekerjanya.

Berdasarkan pemerhatian dan temuduga, kajian ini pertamanya memberikan satu gambaran yang lengkap tentang proses pengeluaran, pembentukan modal, methodologi penyelidikan dan struktur organisasi.

Kedua, kajian ini berbincang tentang tenaga buruh dan polisi-polisi syarikat yang menentukan syarat-syarat pekerjaan bagi pekerja-pekerjanya. Bagaimana persepsi pekerja-pekerja tentang pekerjaan mereka juga dibincangkan. Perbezaan-perbezaan dalam tingkah-laku dan sikap kumpulan-kumpulan pekerja ditunjukkan sebagai berkaitan dengan bangsa, umur, jantina, tingkat pendapatan, tingkat pelajaran dan sebagainya.

Perhubungan buruh-pengurusan di salah satu daripada dua kilang yang dikaji akan ditinjau. Kajian akan menunjukkan pertubuhan Kesatuan Sekerjanya serta aktiviti-aktiviti yang dijalankannya serta meninjau masalah-masalah yang dihadapi dalam perhubungan di antara kedua-dua parti yang terlibat dalam pengeluaran.

CONTENTS

LIST OF TABLES

LIST OF DIAGRAMS

CHAPTER I

INTRODUCTION

1.1 Significance of the Study

The metal industry in Malaysia has always been an important facet of the manufacturing sector. Malaysia being the world's largest producer of tin has had the advantage of setting up secondary industries to manufacture this raw material. At present, resource-based industries (such as tin-making) is encouraged in order to generate higher value-added and foreign exchange earnings. In line with the New Economic Policy, the manufacturing sector which accounts for about eighteen per cent of the Gross Domestic Product is expected to generate significant opportunities in employment and participation of the poorer sections of the community. In addition, the sector is viewed to have considerate potential for securing a balanced industrial growth among regions.[1] Therefore, the manufacturing sector has been accorded a key role in the economy.

The share of manufacturing in Gross Domestic Product has increased from 13.4 per cent in 1970 to 20.5 per cent in 1980. Value-added in the sector grew by 12.5 per cent per annum during the decade, making it the leading growth sector in the economy. This achievement was principally attributed to increased exports as well as rising domestic demands.[2]

TABLE 1.1

Malaysia: Gross Domestic Product
By Industry of Origin 1981-1983

($ million in 1970 prices)*

Sector	1981	1982	1983	Average annual growth rate (%) 1981-83
Primary	7,664	8,175	8,401	4.2
Agriculture, forestry, livestock and fishing	6,516	6,995	7,030	4.0
Mining and quarrying	1,148	1,180	1,371	5.4
Secondary	6,506	6,832	7,379	6.6
Manufacturing	5,115	5,309	5,628	4.9
Construction	1,391	1,523	1,751	13.1
Tertiary	13,160	14,048	15,030	8.1
Electricity, gas and water	665	707	771	8.4
Transport, storage and communications	2,024	2,248	2,509	11.6
Wholesale and retail trade, hotels and restaurants	3,772	3,952	4,234	6.3
Finance, insurance, real estate and business services	2,199	2,337	2,512	7.3
Government services	3,750	4,030	4,191	9.4
Otherservices	750	774	813	4.1
Less: Imputed bank service charges	487	644	710	20.4
Plus: Import duties	1,249	1,266	1,298	1.9
Equals: GDP at purchasers' value	28,092	29,677	31,398	6.2

Source: Department of Statistics, National Account Statistics, 1978-1982 (January, 1984)

Note: Figures for 1983 are estimates by the Macro Inter-Agency Planning Group (MIAPG)

* = extracted from the Mid-term Review of The Fourth Malaysian Plan, 1981-1985, p. 39.

With a favourable investment climate prevailing during the decade (1970-1980) and in response to the promotional activities of the Government, 4,266 new industrial projects with a total proposed investment of about $15.3 billion and a paid-up capital of about $6.3 million were approved. Of the total proposed paid-up capital, 34.1 per cent constituted foreign sources, mainly from Japan, United Kingdom, Singapore, Hong Kong, United States of America and the Federal Republic of Germany.[3]

With the objective of promoting and fostering closer economic relations, the Government concluded Investment Guarantee Agreements with the Belgo-Luxemborg Economic Union, Canada, the Federal Republic of Germany, France, the Netherlands, Sweden, Switzerland and the United Kingdom. During the decade, progress was made in regional economic cooperation among ASEAN (Association of South East Asia Nations) countries. To further promote industrial development in ASEAN region, joint consultations between ASEAN member countries and Australia, the EEC (European Economic Community), Japan and the United States of America were held to reduce trade barriers and increase the flow of capital and technology.[4]

Due to the rapid growth of the manufacturing sector, Malaysia at present experiences a shift of the labour force from the rural to the urban sectors. Employment in the agricultural sector grew marginally at 0.5 per cent per annum and its share in total employment declined from 39.7 per cent in 1980 to 31.0 per cent in 1983.[5] On the other hand, employment in the manufacturing sector continued to

grow rapidly, increasing at a rate of 8.9 per cent per annum. Production workers accounted for about 80 per cent of the 49,800 new jobs generated during that period.[6]

TABLE 1.2

Pattern of Labour Employment by Sector

Sector	Share of Total Employment (%)		
	1970	1975	1980
Agriculture, forestry and fishing	53.5	49.3	40.6
Mining and quarrying	2.6	2.2	1.7
Manufacturing	8.7	10.1	15.8
Construction	2.7	2.9	5.2
Electricity, gas and water	0.6	0.6	1.0
Transport, storage and communication	4.0	4.6	3.8
Wholesale and retail trade	11.4	12.6	12.7
Banking, insurance and real estate	0.8	0.8	1.0
Government services	12.0	13.0	13.0
Other services	3.7	3.9	4.3
Total	100.0	100.0	100.0

Source: Third Malaysian Plan, 1976-1980
Fourth Malaysian Plan, 1980-1985

Thus, the contribution of the manufacturing sector, in particular the metal industry, to the country's economy ought to be emphasized here. Expansion of overseas and domestic demand in view of the gradual economic recovery, and the expansion of capacity with the enlargement of existing plants and the entrance of new firms are factors that contribute to the strong growth of the manufacturing sector.[7] The industrialisation strategy in Malaysia places its emphasis on the development of heavy industries of which the metal industry is one. Benefits from such developments will include several linkages to the domestic economy to be generated, especially in the utilisation of natural resources and the saving of foreign exchange.[8] Inputs to the domestic industries will also be generated by such industries besides utilising the country's energy and gas resources.

The metal industry is said to provide the basis for developing an indigenous technology and also in the development and acquisition of skills which can be utilized in other industries. It will also provide the opportunities for learning to manage large-scale industrial establishments which is an important skill for industrialization.

The future of the manufacturing sector is forecasted to be strong. According to the mid-term review of the Fourth Malaysian Plan, it is targetted to expand in real terms by 7.7 per cent per annum compared with 4.9 per cent per annum achieved during the first three years of the Plan.[9] Emphasis will be placed on being competitive, using advance technology, raising productivity and undertaking large-scale and diversified marketing. The operations of heavy industries

have to be rationalized in order to remain competitive to the international market and to further cater for the domestic market.

1.2 Aim and Scope of Study

The aim of this study is to look at process of industrialization by focusing on one particular factory. This study is not aimed to test a theory but to look at various aspects of a factory; the impact of industrialisation on society, production methods and the workers themselves. Thus, this study encompasses social and economic factors as it would be impossible to divorce these two aspects in such a study. Furthermore, the increase in the rural-urban migration due to the expansion of the manufacturing sector makes this graduation exercise doubly important in the study of the sociological impact.

To achieve the aim of this research, a study of the factory environment is vital. This include the physical development of the factory, its manufacturing and production process of its products, the technology used and the changes of technology over the years. The management hierarchy, company's policies and the structure of the labour force will also be dealt with. The working conditions and the background of selected factory workers will also be looked into. Other topics that will be discussed include the labour-management relationship and the role of the trade union.

1.3 Research Methodology

1.3 (a) Choice of Factory

The researcher received financial aid for conducting this research on a factory located in Johor. The researcher was given the liberty to choose the factory to be studied on as there were no specification as long as it is in Johor. The factory was chosen by the researcher through contacts. The chosen factory is of the metal industry and it produces tin cans for packaging of foodstuffs.

Very little is known about the metal industry from past sociological studies. A case-study on a similar factory was carried out two years ago in Petaling Jaya which cover more aspects than this study. However, this research will be more specific as it covers areas not included in the first study. For example, this study compares the sex and race differences in various aspects of the workers in Johor Baru and Petaling Jaya. The researcher felt that a similar research ought to be carried out again to make a more representative study as studying a factory alone does not suffice. The researcher intends to make use of her research to gain an insight into the tin-can manufacturing industry which plays an important role in the country's economy as it makes use of natural resources. The public who uses these products widely has been ignorant of how they are made.

Factory X is a branch factory with its main headoffice in Petaling Jaya. It is a small factory with only ninety seven employees, of which 26 of them are of the administrative level and the remaining 71 at the factory level. Factory X produces tin cans solely for the

packaging of foodstuffs like dried milk powder or beverage, preserved fruits, drinks, etc.

1.3 (b) Choice of Respondents

In order to know more about the socio-economic conditions of the factory workers in factory X, the researcher interviewed a number of workers to sample their views on attitudes, mentality and their working conditions. Owing to the fact that this study is funded, the researcher did not have much control over her choice of respondents. She was required to choose only Chinese factory workers as many studies on factory workers in the past had been done on Malay workers. It is felt that being in a multi-racial country, studies on other races would create a more balanced picture.

There were very few Chinese factory workers in factory X and most of them were married. The researcher could not gather enough respondents to fulfill her criteria of interviewing forty to fifty respondents. The researcher chose the married Chinese workers over the singles as she felt that this particular group of the working population shoulders heavier responsibilities in their domestic lifes. They encounter more financial problems than the unmarried ones and therefore attention ought to be focused on them to find out how they make ends meet to support their respective families with their meagre incomes. The researcher managed to interview only fifteen respondents in factory X which was insufficient.

In order to get more respondents, the researcher decided to choose the factory workers from the main factory (Y) in Petaling Jaya. This decision was based on several reasons. Firstly, it was because both the factories are under one similar company. Secondly, they share similar company policies, technology and production processes. In addition, both their trade unions are affiliated. Also, both towns have almost similar cost and standard of living, being urban towns with close relations to capital cities namely Singapore and Kuala Lumpur.

While in factory Y, the researcher discovered that there were very few married Chinese factory workers. Most of the Chinese workers there were still single, therefore the researcher was unable to pick her respondents as intended. As a result, the researcher chose married Malay workers as there were many of them in factory Y. The married ones were chosen so as to bridge the gap of status differences of the respondents. The researcher managed to gather only fifteen respondents here.

1.3 (c) Methods Used

Much as the researcher would like to work in both factories X and Y incognito, she was unable to do so. This was because she had to reveal her identity to the management while obtaining permission to conduct her research. Furthermore, there was no vacancy available at that time. However, the researcher was permitted to observe the going-ons in factory X. Therefore, direct observation was used

by the researcher especially in learning about the production process in factory X.

Methods used by the researcher to conduct her study were formal interviewing, informal interviewing based on questionnaires, direct observations and library research. Questionnaires were prepared prior to conducting the study and both open-ended and close-ended questions were used. The questions were focused on the socio-economic aspects of the factory workers, for example, their personal background and particulars, conditions of work, the workers' perception of their work, attitudes towards the management, level of satisfaction achieved in their work and also issues regarding the company's trade union. The respondents were encouraged to talk freely and openly in their responses to questions asked. By doing so, they contribute useful information that enable the researcher to comprehend more fully their conditions as factory workers.

Each time, before interviewing her respondents, the researcher explained her intention for carrying out the interview that is to look into the welfare of the workers. The researcher expressed her concern and sympathy for them and hoped that this study might help in one way or another to improve the present low economic status of factory workers in this country. It is also hoped that the exploitation of workers will be eliminated through this awareness of the socio-economic conditions of factory workers. The respondents were also given an assurance from the researcher that all information obtained from them will be treated as private and confidential. The researcher

had to win her respondents' trusts so as to remove any fears or suspicions aroused on their part. The respondents might fear that the researcher would reveal her findings to the management and jeopardise their careers.

The arrangement for carrying out the interview differs slightly in both factories. In factory X, the respondents were chosen by the management whereas in factory Y, they were chosen by the union committee. This is to create a flexible sampling.

The method of interviewing was similar in both the factories. Each respondent was allowed to be interviewed by the researcher not during their meal or tea breaks but during their working hours. Since the machines in the factory have to be constantly on the move, another worker was asked to stand in for the worker being interviewed. The researcher was given a room to conduct her interview and there was a lot of privacy. As a result, the respondents did not fear speaking and answering questions openly. The respondents were called into the room one at a time but sometimes two turned up. They were given permission to take some time off from their work to attend the interview. Prior to asking the questions in the questionnaires, the researcher tried to make her respondents feel at ease by striking an informal conversation and explaining the objective of her study. The researcher also expressed her gratitude in return for their cooperation. In factory X, the researcher conversed in a dialect the Chinese respondents were most familiar with. In factory Y, the researcher conversed in

simple and colloquail Malay language.

To obtain information regarding the production processes in factory X, the researcher was referred to the production planner. The researcher enquired about processes like how the machines run, and what happens at each stage of production from raw materials to end products. The researcher was briefed on these areas and was brought round the factory to examine and to have a close look at the processes. The researcher asked questions on areas which she could not understand to ensure a full understanding of the whole production process since she could not participate in their work.

Having understood the operations and functions of the machines in factory X, the researcher approached its factory manager to enquire about the personnel function of the management as the factory does not have a personnel manager. The researcher wanted to know about the workers' income, their EPF (Employees' Provident Fund), fringe benefits and other issues concerning the welfare of the workers. All in all, the researcher spent five days conducting her research in factory X.

To obtain permission to interview the factory workers in factory Y, the researcher sought the help of the MIEU's (Metal Industry Employees' Union) secretary-general.[10] He contacted its personnel manager for permission to have the researcher conduct her interview of its factory workers to be chosen by the company's union committee. His request was met with the manager's consent and the researcher spent three days to interview her respondents.

For data regarding the company's trade union, the researcher was unable to obtain any information of that in factory X. This was because its leader was on leave at the time of research. Since the trade unions of factory X and factory Y are affiliated, the researcher decided to obtain the information from the union of factory Y. The researcher held an informal interview with its union leader[11] and secretary[12] at the MIEU building in Petaling Jaya. Both of them gave useful information on the development of the union, how it came about to what it is today, its role in the factory as well as its activities.

Information on the manufacturing sector, the metal industry and the company's financial status were obtained from library research.

1.4 Research Problems and Limitations

Every research is not without its problems and this is no exception.

Firstly, there is very little secondary data about the can-manufacturing industry. Most of the researcher's information were primary data obtained directly from the factory itself. The researcher had only one other report to refer to, which was previously done by a student. From the report, possible problems that might be encountered while conducting the research could be avoided through an awareness of them. In addition, the factory's management was unable to reveal certain information which were regarded as confidential. As a result, the researcher had access to limited information. Also, information on the company's financial status was unobtainable from the Registrar

of Companies although it was listed. Much of the information available there was irrelevant to this research.

Secondly, there was a slight communication barrier while interviewing the respondents in factory X. They were unable to converse in the researcher's mother-tongue (that is Hokkien). They could only speak Teochew and understood a little of the Mandarin language. Thus, with her fair knowledge of Teochew and Mandarin, the researcher tried her best to interpret her questions as accurately as she could. This limitation faced the danger of misinterpretation of the questions which might lose their essential meaning.

Thirdly, the researcher noticed a difference in the responses of her respondents of factory X and factory Y to her questions. The Malay respondents of factory Y were more open than the Chinese who were quite suspicious despite the researcher's assurance that they have nothing to fear. They suspected that the researcher was doing her research for the benefit of the company. As for the Malays, they probably felt closer to the government which accounted for their openness and frankness in their responses. This could be confirmed by previous studies that also showed that the Chinese as a whole feel alienated from the Government and therefore tended to be uncooperative to such surveys. Another reason could be due to the difference in the way of interviewing the respondents. The Chinese respondents from factory X were chosen by the management and they probably felt conscious of their responses and so were more careful in answering the researcher's questions. They felt less open because they viewed

it as an order from the management to attend the interview. On the contrary, the Malay respondents from factory Y were chosen by the union committee. The union leader and secretary helped the researcher by informing the factory workers of her reasons for conducting the interview. Most of her respondents attended the interview voluntarily and felt more open to voice out their opinions and grievances. There was no tension involved; in fact the respondents were glad that an outsider was interested in their welfare.

Limitations also exist in the way the respondents answer their questions. For example, when more than one respondent attended the interview, they tended to help each other to answer the questions and more often than not, all will agree to an answer. The researcher had to encourage them to stick to their own opinions because individual answers were more important for her study.

Time-constraint posed a problem too. Interviewing the respondents after their working hours could not be carried out because not many of them would volunteer to stay back for questioning. It took about half an hour to complete answering per questionnaire which was time-consuming. Majority of the female respondents hurried home after work to attend to their household chores. The male respondents also had to assume their responsibilities towards their families apart from their factory jobs. It was also equally difficult to catch the respondents before their working hours as most of them arrived at the factory five or ten minutes before their working time. This was not sufficient for the researcher to question even one respondent.

Footnotes

1. Mid-term Review of the Fourth Malaysian Plan 1981-1985, Kuala Lumpur, Government Printers, p. 249.

2. Fourth Malaysian Plan 1981-1985, Kuala Lumpur, Government Printers, p. 15.

3. Ibid., p. 295.

4. Ibid., p. 295.

5. Mid-term Review of the Fourth Malaysian Plan 1981-1985, Kuala Lumpur, Government Printers, p. 128.

6. Ibid., p. 129.

7. Malaysia: Economic Report 1983/84, Kuala Lumpur, Government Printers, p. 125.

8. Mid-term Review of the Fourth Malaysian Plan 1981-1985, Kuala Lumpur, Government Printers, p. 20.

9. Ibid., p. 264.

10. The secretary-general of MIEU is Mr. Rajasekaran.

11. The union leader is Encik Baharuddin. Interview was held on July 26,1984.

12. The union secretary is Encik Naim, a storekeeper in factory Y.

CHAPTER II

MANAGEMENT AND PRODUCTION

2.1 Introduction

This chapter will deal with the work environment in factory X, more specifically its physical and economic aspects. There will be a discussion on the historical background and development of the company as well as the physical features of factory X. The management in both the administrative and the factory level will also be dealt with. Other topics include the production processes of factory X's products, the company's technology in use as well as its capital structure and investment.

2.2 Characteristics of the Factory

2.2 (a) Introduction

This factory is involved in the packaging industry and it produces cylindrical metal containers made of tin which are of two sizes, that is medium and large. These cans have one end opened while the other is closed. The loose ends will be supplied to customers for use upon filling them up with their own products. The open top cans are mainly used for canning processed foods like fish, meat, peas, beans, margarine, milk powder, etc. However, factory X caters more to the pineapple industry as Johor is the country's largest pineapple producing area.

Engaged in the manufacturing of these cans, factory X is divided into six departments. They are component, cutting, line production, quality control, store and maintenance department.

2.2 (b) Historical background and development

This company came into being as a result of the amalgamation of several family firms of moderate size making plain and decorated tin boxes way back in 1921 in the United Kingdom.

During the thirties, this company played a major role in the introduction to the United Kingdom of the technology of high-speed canning. As soon as the new technology was established in the United Kingdom, this company began exporting it: a policy which has been greatly intensified in the last thirty years.

This company came to this part of the world in 1947 to participate in the rehabilitation of the Malayan pineapple canning industry. With a staff of less than thirty, they rented a wooden shed in Johor Bharu and installed can-reforming equipment which turned out cans from imported components from England.

As the demand for packaging experienced a tremendous growth in this region due to the expansion of local food-manufacturing industries in the sixties, this company was able to expand rapidly. The head office and factory was transferred to the then budding industrial town of Petaling Jaya. It further expanded by building three other factories in this country that is two in Johor and one in

Penang. With the benefit of the backing and advice of the parent company, this company was made independent. It has a local board of management and its shares are quoted in the Singapore, Malaysia and Thailand stock exchanges.

Foreign expertise used when the company began its operations during the initial stages were slowly replaced by locally trained ones. Individual research laboratores were set up and there are locally based customer service engineers. There is also access to several hundred scientists, technologists and engineers of this company around the world.

Factory X was built sixteen years ago in 1969. Before that, many of the Johor residents who worked for this company commuted daily to Singapore to work in its factory there. As this country's population increased and the demand for cans especially in the pineapple industry increased, it was considered essential to open up a factory in Johor. Thus came the existence of this factory. Labour was readily available then and the majority of the Johor residents working in the Singapore factory voluntarily sought to work in factory X as this was more convenient for them.

2.2 (c) Physical aspect of factory X

The factory covers a land area of four and a half acres. Its built-up area is 35,000 square feet. It is located in an industrial estate with good infrastructure. Factory X is about six miles away from Johor Bharu town. Bus services are regular and

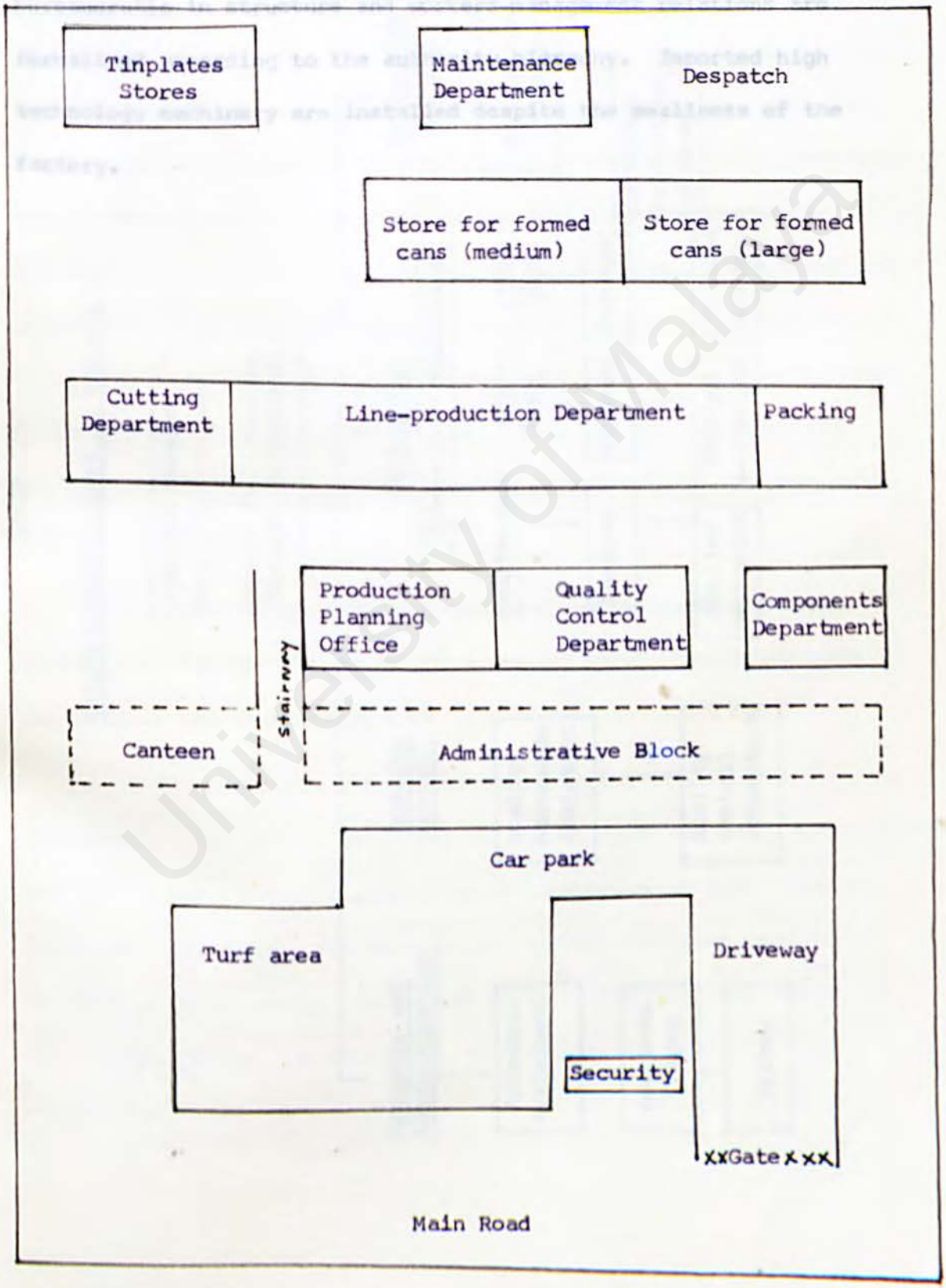
convenient to factory X as it is along the main road. It takes less than half an hour to reach factory X by bus.

The diagram overleaf shows a map of factory X. The largest section is occupied by the line production department which consists of four production lines. This is the most important department as the production operations here will determine the speed of production. Therefore, the operators in this department are the more experienced ones.

The cutting and packing departments are adjacent to the line production because they go hand-in-hand. The component department is at the lower right hand portion of the factory. In contrast, the tinplate stores is located at the top left hand portion of the factory. This is so because the tinplates are very huge before being cut into required sizes and therefore need a bigger storage space. The quality control department is actually a laboratory with several apparatus installed to check the quality of formed cans.

DIAGRAM 2.1

A Simplified Map of Factory X

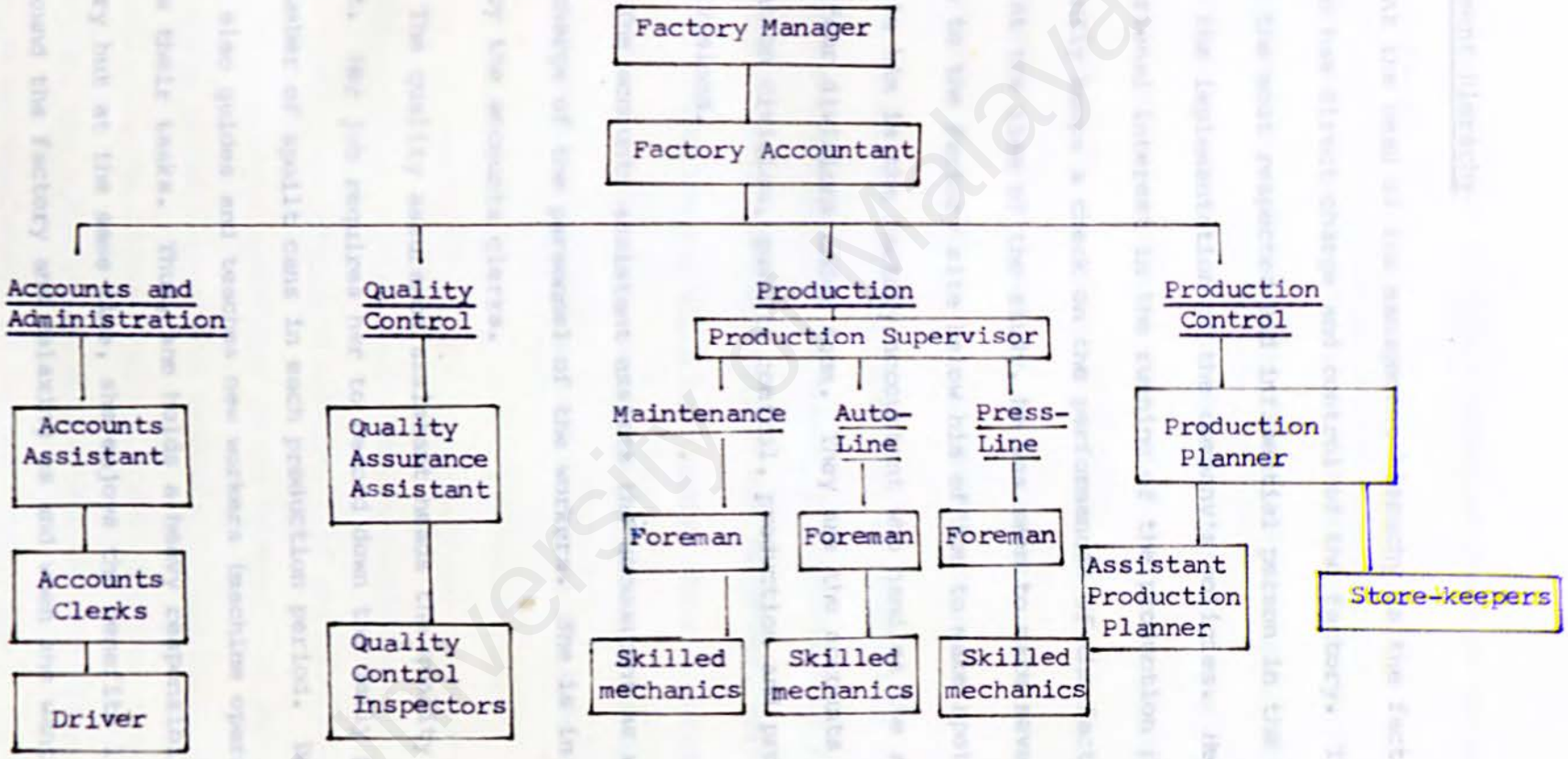


2.3 Management

Factory X can be considered a modern factory. It is bureaucratic in structure and workers-management relations are formalized according to the authority hierachy. Imported high technology machinery are installed despite the smallness of the factory.

TABLE 2.1

Organizational Chart in Factory X



The Management Hierachy

At the head of the management hierachy is the factory manager who has direct charge and control of the factory. The factory manager is the most respected and influential person in the factory. He sees to the implementation of the company's policies. He also takes a personal interest in the running of the production processes and constantly keeps a check on the performances of the factory workers. At the time of the study, he was seen to make several trips a day down to the factory site below his office to make spot checks. Reporting to him is the factory accountant who handles the accounts. There are four divisions under them. They are the accounts and administration division, quality control, production and production control divisions.

The accounts assistant assists the accountant as well as takes charge of the personnel of the workers. She is in turn assisted by the accounts clerks.

The quality assurance assistant heads the quality control department. Her job requires her to record down the daily productions and the number of spoilt cans in each production period. Besides that, she also guides and teaches new workers (machine operators) to perform their tasks. Thus, she holds a heavy responsibility in the factory but at the same time, she enjoys the benefits like moving around the factory and relaxing as and when she wants to.

She is also provided with an office table and chair in the quality control laboratory.

The production department is divided into three divisions which is maintenance, auto-line and press-line division. The auto-line deals with the production of open-top cans under the charge of a foreman with skilled mechanics under him. The press-line, on the other hand, deals with the making of the ends of the cans. There is also a foreman in charge of skilled mechanics here. All the three divisions leaders report to the production supervisor.

The production control department is responsible for the purchases of raw materials and the amount of production of factory X. The production planner, with the help of his assistant, will forecast the amount of production two and a half months ahead. The storekeeper manages the stores which store components and finished products, as well as managing the consignment and seeing to the safe despatch of goods.

TABLE 2.2

Hierarchical structure at the factory level

Production Supervisor

Maintenance	Production		
	Auto Can Line	General Line	Press Line
1. Foreman (1 Male)	1. Foreman (1 Male)	1. Foreman (1 Male)	1. Foreman (1 Male)
2. Skilled Mechanics (2 Males)	2. Skilled Mechanics (9 Males)	2. Skilled Mechanics (3 Males)	2. Skilled Mechanics (7 Males)
3. Wireman (1 Male)	3. General Workers (4 Males, 2 Females)	3. General Workers (2 Males 5 Females)	3. General Workers (2 Males, 14 Females)

The table above shows the organizational chart at the factory level. The production supervisor is responsible to the factory manager for the effective management of the manufacturing function. He supervises activities in the factory site and sees to the needs of the workers in matters concerning their work. He will bring matters up to the factory manager should the need arises. If not, he is given the authority to settle problems and matters which do not require the involvement of the top management.

The foreman is responsible for the major repairs of machines during any breakdowns. They are mostly old and experienced workers as they are more familiar with the machines. For minor repairs, the foreman has the authority to appoint any of the mechanics under him to do the job. As most of the general workers (who are predominantly female) are unable to assume the responsibilities for machinery maintenance, the skilled mechanics are stationed next to the machines to attend to breakdowns.

The general workers in factory X are mostly females who work as machine operators. Their jobs are less energy-consuming and need more meticulous attention, as compared to that of the mechanics. Also, no particular skills are required for their type of jobs. The male general workers are involved in stacking and loading the finished products onto forklifts which will fetch them to the stores for storage before despatch. Their jobs are more laborious and require a lot of strength which the female workers are not suited for.

2.4 The Factory Level

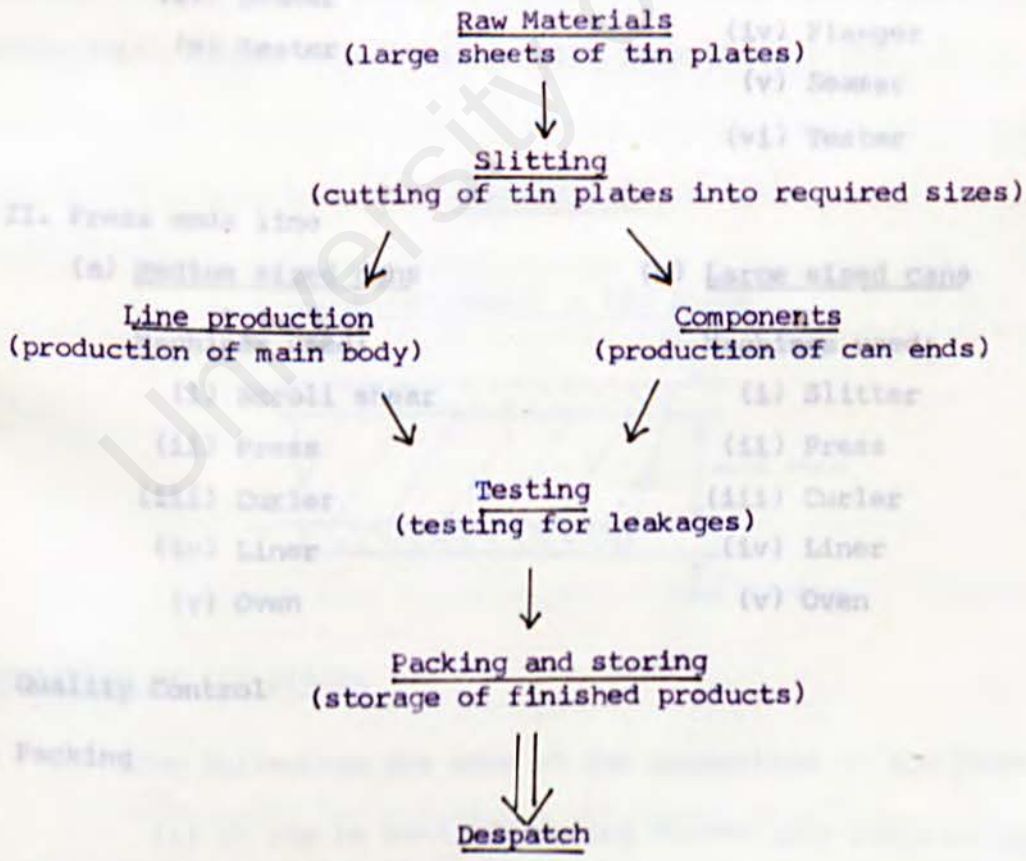
2.4(a) The production process

There are six departments in the production system of factory X and they are interdependant of each other. This means that each department is responsible for each stage of production that follows. Each factory worker is trained to operate more than one type of machine in the factory. Each week, they rotate their

jobs in machine operating, according to a chart being drafted out by the production supervisor. Besides reducing monotony in their job, it creates a more flexible labour structure. Therefore, there is no strict specialization of work in factory X. All the factory workers are given thick hand gloves and ear plugs while doing their work. The former protect their hands when handling the tin plates and other things while the latter protects them from the loud noises made by the machines.

TABLE 2.3

The Production System



The making of tin cans involves several stages of production. They are:

1. The purchasing of raw materials
2. Slitting
3. Production line - there are two main departments:

I. Open top can line, consisting of:

(a) Medium sized cans

Machines used:
- (i) Bodymaker
- (ii) Solderbath
- (iii) Flanger
- (iv) Seamer
- (v) Tester

(b) Large sized cans

Machines used:
- (i) Bodymaker
- (ii) Welder
- (iii) External side stripping
- (iv) Flanger
- (v) Seamer
- (vi) Tester

II. Press ends line

(a) Medium sized cans

Machines used:
- (i) Scroll shear
- (ii) Press
- (iii) Curler
- (iv) Liner
- (v) Oven

(b) Large sized cans

Machines used:
- (i) Slitter
- (ii) Press
- (iii) Curler
- (iv) Liner
- (v) Oven

4. Quality Control
5. Packing

1. Raw Materials

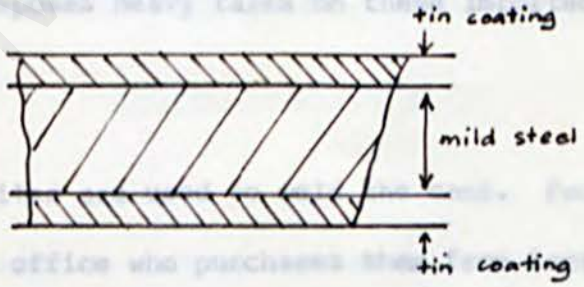
The raw materials used for production are tin plates, copper wires, fluxes, lining compound, lacquer and lead.

(a) Tin plates

Tin plate is used in the manufacturing of can containers for storing food and non-food products. It is produced in various thickness. It is its thickness that is important in manufacturing cans and their ends, and for this reason tin plate is ordered in terms of nominal thickness. The nominal thickness is from 0.15 mm. to 0.36 mm. thick, in increments of 0.01 mm. Tin plate is mild or low carbon steel coated on both sides with pure tin.

DIAGRAM 2.2

Cross-section of a tin plate



Properties of tin plates

The followings are some of the properties of tin plate:

(i) It can be bent, drawn and folded into complicated shapes without fracture (formability)

(ii) It is resistant to erosion (this depends on the tin coating weight)

(iii) It has a surface that can be readily coated, printed and lacquered.

(iv) It is non-toxic

(v) It can be soldered or weldered easily

(vi) It is strong, light and easily handled

However, during manufacture, tin plates may be produced with certain defects like rust, pinholes, badly tinned areas, dimensional errors and laminations. Despite the defects, tin plates prove to be the best choice of material to be used for manufacturing cans that need to be soldered or weldered.

Since this country does not produce tin plates, factory X imports them from Japan. It buys them through PERSTIMA(that is Persatuan Sadur Timah Malaysia Sendirian Berhad) which has a joint-venture with Japan to buy its tin plates. PERSTIMA sells the locally produced tin to Japan and later imports tin plates from them. The local Government imposes heavy taxes on these imported tin plates.

(b) Copper sites

Copper sites are used to weld the cans. Factory X obtains them from its head office who purchases them from local factories.

(c) Fluxes

(i) Crystal flux - this is a cleansing chemical used in the solderbath. It cleans the tin plates from impurities.

(ii) Liquid flux - this is also a chemical but is used in the bodymaker. Before soldering, it is applied onto the seams of the cans so that when lead is added on to it, it can penetrate and thus make soldering possible.

Factory X uses Australian-made fluxes bought through a base in Hong Kong.

(d) Water base lining compound

This compound is used in lining the edges of can ends. It acts as a seal to prevent leakages. This is also an Australian product bought through the same base in Hong Kong as that of the fluxes.

(e) Side strip lacquer

This is used in the soldering process. It prevents the blackening of the side seams of cans as a result of over heating when they are being soldered. Factory X purchases this chemical from the United Kingdom.

(f) Pure lead

The lead used is locally made. It is used for smelting the side seams of cans.

2. Slitting

The slitting or cutting section is responsible to the line and also the component department. Sheets of tin plates are cut into shapes to form can bodies for the line department and to form can ends for the component department.

In the line department, the sheets of tin plates are cut by a slitter machine first into strips and then into smaller pieces

called blanks for making the can bodies. The strips are used for forming large cans whereas blanks are used for medium cans.

DIAGRAM 2.3

Slitting of tin plate for can bodies

In the component department, a machine called the scroll shear is used to slit the sheets of tin plates into strips. The strips are then pressed or stamped into circular shapes of required sizes to make can ends.

DIAGRAM 2.4

Pressed large can ends

The feeding in of large sheets of tin plates into the slitter or scroll shear machines are done by the skilled mechanics. This is so because the tin plates are big and heavy and the female workers do not have enough strength to do it. The mechanics here also see to the smooth running of the machines and repair them when necessary. After slitting, the mechanics will transfer the strips of tin plates to the tables adjacent to the other machines for the processes that follow.

Sheets of tin plates that have been slit into halves are transferred from the department for medium cans to that of large cans by a mechanic. They are placed on a table next to a slitter machine. A female general worker will stand by and hand feed them into the machine which will cut the halves into strips for forming large can bodies. The same mechanic also sees to it that the machine is not faulty during the slitting process.

In the medium cans department, the slitter machine will not cut the large sheets of tin plates into halves but into strips right away. There are two slitter machines involved here. The first machine will slit the tin plates into strips. This job is undertaken by a mechanic. After slitting, he will bring the strips to a table next to the second slitter machine. Here, a female worker will sit next to the machine and feeds the strips in to produce blanks for the making of medium can bodies. The same mechanic will see to the smooth running of the two slitter machines here.

The slitting process for the formation of can ends will be discussed later under the production of can ends in the following pages.

There are two common defects that likely to occur during slitting or scrolling. They are out-of-square blanks or strips and dimensional errors.

3. Production line

This will be discussed under two sections, viz.

I. Open top can line and

II. Press ends line

I. Open top can line

The processes involved in this can line differ slightly for the medium and the large cans. The former are soldered at their side seams to form the body while the latter are welded at their side seams. The large cans have an additional feature which is the external side stripping. Besides these differences, all other processes are similar for the two. The processes will be discussed stage by stage:

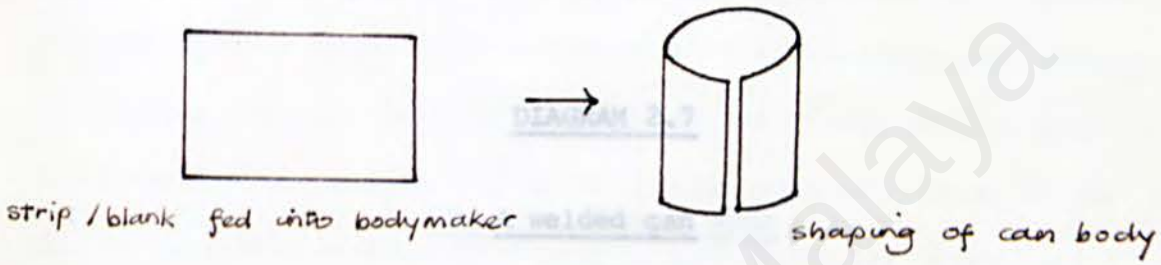
(i) Bodymaker

After slitting, the cut strips are fed by standing female workers into a huge machine known as the bodymaker. Here, the can bodies are formed. They are cylindrical in shape with two open ends. A mechanic stands by the bodymaker to ensure that it does not give

any problems.

DIAGRAM 2.5

Formation of can body in the bodymaker

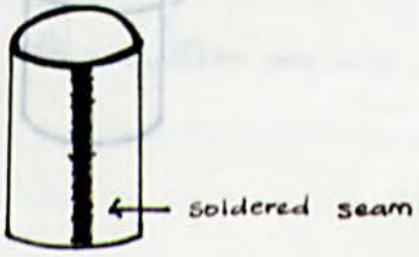


(ii) Solderbath

This is an automatic process so no manual labour is required here. The side seams of the can body is sealed in a long machine called solderbath. Before sealing, crystal flux is used to cleanse the tin plate from any impurities. After that, lead and liquid flux is used to solder the seams with the help of a small furnace. A mechanic is assigned to ensure that the solderbath machine runs smoothly.

DIAGRAM 2.6

Can with a soldered seam

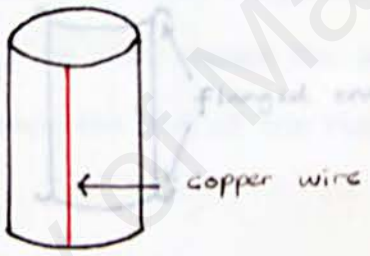


(iii) Welder

This is also an automatic process where the side seams of large sized cans are welded together with the use of copper wires. The welder machine seals the two joints automatically with the wires. A mechanic stands by the machine to check on it.

DIAGRAM 2.7

A welded can

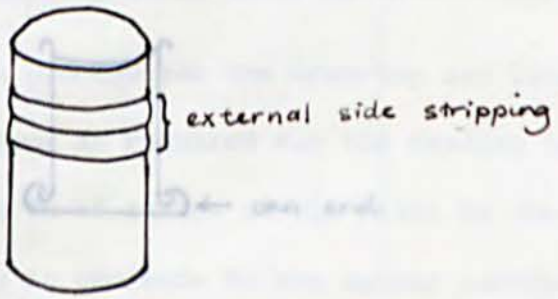


(iv) External side stripping

This is done as a decoration for large cans. After welding, the can body is striped. This is also an automatic process and takes place right after the can bodies are welded.

DIAGRAM 2.8

Can with external side stripping

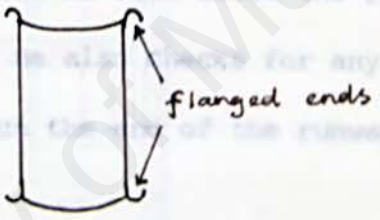


(v) Flanger

Here, the soldered or weldered cans are automatically flanged that is a process where the edges of the top and bottom ends of the can bodies are curled slightly outwards. This is done to facilitate the seaming of can ends later on.

DIAGRAM 2.9

Can with flanged ends

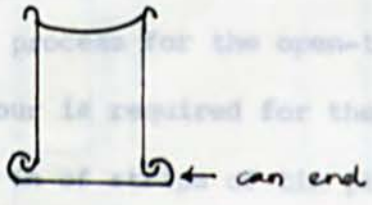


(vi) Seamer

After flanging, can ends are hand-fed into the seamer machines by female workers sitting down. Here, the seamer machine will seam the bottom ends of the can bodies. Mechanics are stationed next to the machine to ensure that it runs smoothly.

DIAGRAM 2.10

Cross-section of an open-top seamed can



(vii) Tester

The open-top seamed cans are now subjected to tests for leakages. They are automatically transferred to the tester machines which use water to check the leakages. These machines also dry the tested cans. The finished products are then automatically transferred upwards along a runway with the help of an electrically-run pulley. On reaching the top which is about twelve feet high from ground level, the cans form a straight row before coming down the runway by the use of gravity. A mechanic stands or sits below the runway and checks the flow of the runway. He also checks for any misplaced or deformed cans. As the cans reach the end of the runway, they are then ready for packing.

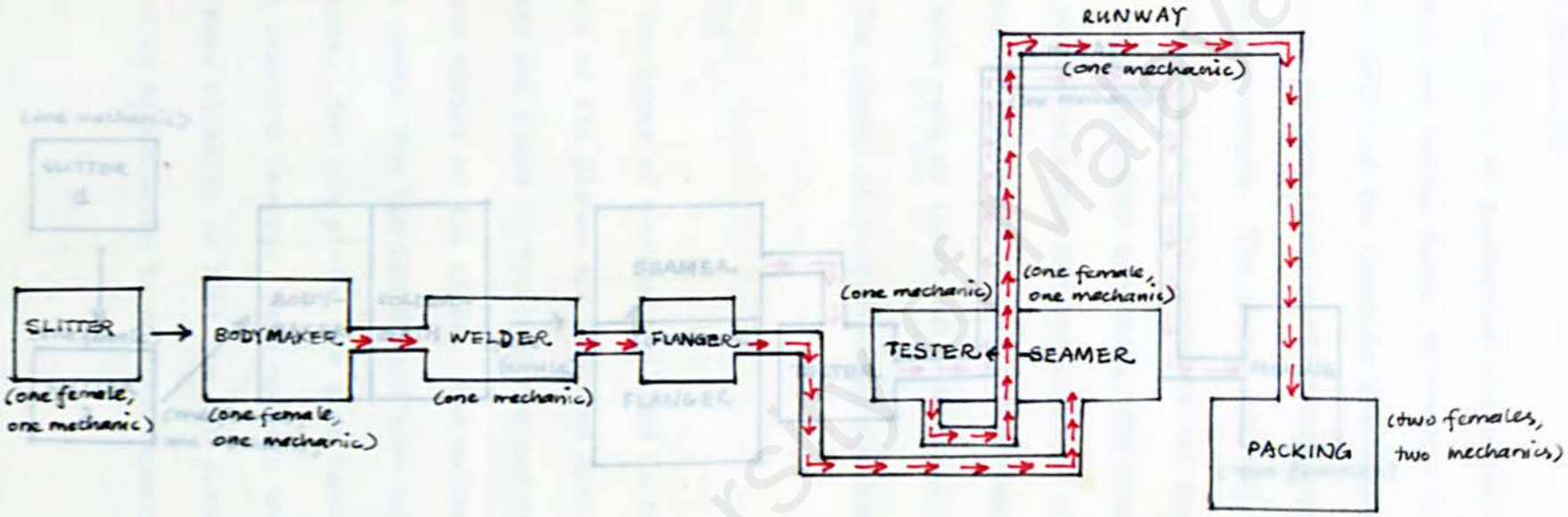
(viii) Packing

A huge table is placed at the foot of the runway for packing the cans. Female workers standing there will remove the cans and arrange them into several rows on top of brown papers before wrapping them up. The male general workers will then stack up the packages on the floor while a few others will load them onto forklifts for storage in the stores to be despatched later on to customers.

The whole production process for the open-top can line is semi-automatic. Manual labour is required for the feeding in of tin plates to be slit, feeding in of strips of tin plate to the bodymaker and also for feeding in can ends to the seamer machines. The production rate of medium cans is 340 cans per minute while that of the larger cans is at 60 cans per minute.

DIAGRAM 2.11

Production Process of Open-top Large Sized Cans

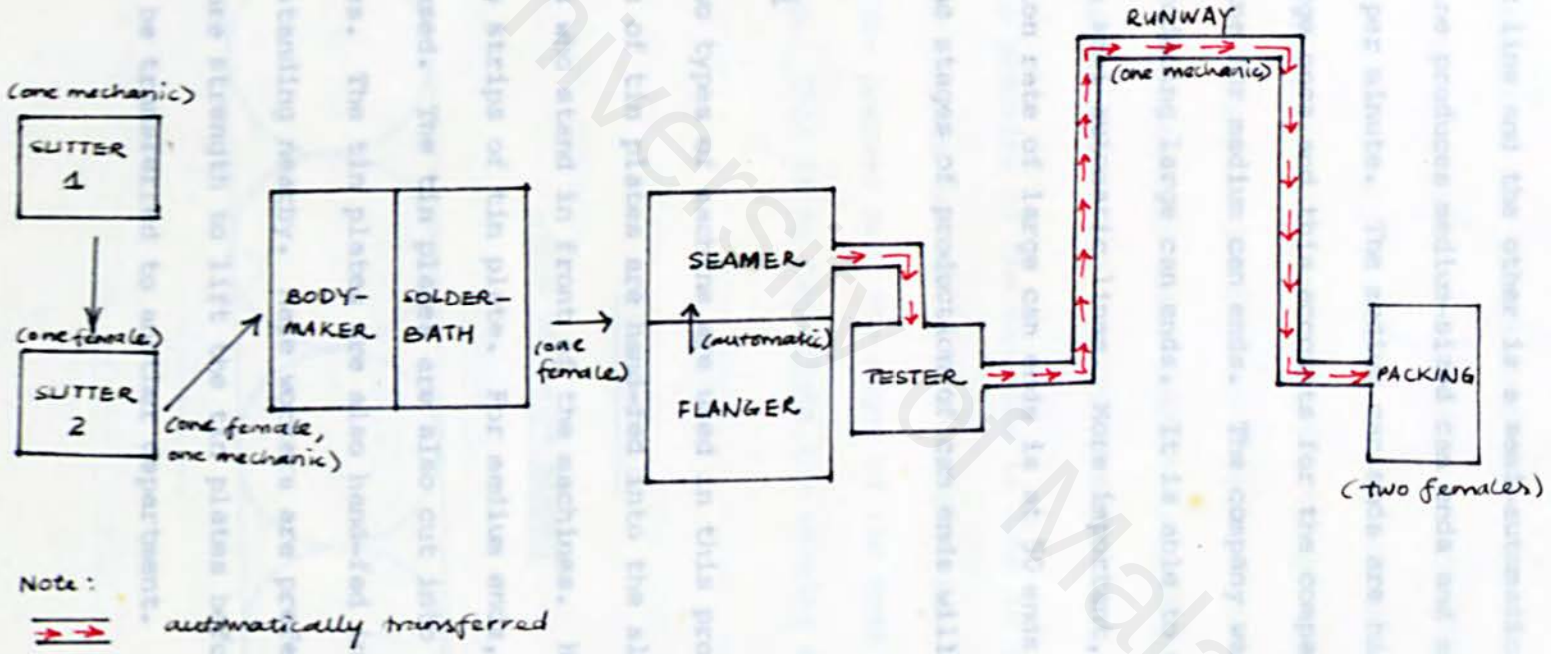


Note:

automatically transferred

DIAGRAM 2.12

Production Process of Open-top Medium Sized Cans



(ix) Press ends line

This line of production deals with the making of can ends of both large and medium cans. There are two types of line that is an automatic line and the other is a semi-automatic line. The automatic line produces medium-sized can ends and operate at a rate of 300 ends per minute. The medium can ends are higher in demand than the large ones and this accounts for the company installing an automatic line for medium can ends. The company was two semi-automatic lines for producing large can ends. It is able to meet the demands by using the semi-automatic lines. More important, it cuts costs. The production rate of large can ends is at 50 ends per minute.

The stages of production of can ends will be discussed in detail:

(i) Slitting

Two types of machine are used in this process. For large ends, sheets of tin plates are hand-fed into the slitter machines by mechanics who stand in front of the machines. Here, the sheets are cut into strips of tin plate. For medium ends, a scroll shear machine is used. The tin plates are also cut into strips but of smaller sizes. The tin plates are also hand-fed into the machine by a mechanic standing nearby. Male workers are preferred here because they have more strength to lift the tin plates before and after slitting to be transferred to another department.

(ii) Pressing

The slit strips of tin plates are now ready to be pressed out to form required can end sizes. Female workers are assigned to feed in the strips of tin plates into press machines. Each worker is assigned to a press machine where strips of tin plates are hand-fed in. Each press machine is raised on a platform and the workers sit on a stool before it when feeding in the tin plates. The hand-feeding operation is a dangerous job because a lack of concentration or carelessness can result in finger injuries. Also, a mechanic stands by each press machine to see that it doesn't break down.

The pressing of the can ends is done in such a way that there is minimum wastage of the tin plates. (see diagrams below). As the ends are pressed out, the edges of the ends are pressed down and curved up. This is to facilitate the seaming of the ends to the can body.

DIAGRAM 2.13

Large can ends blanks

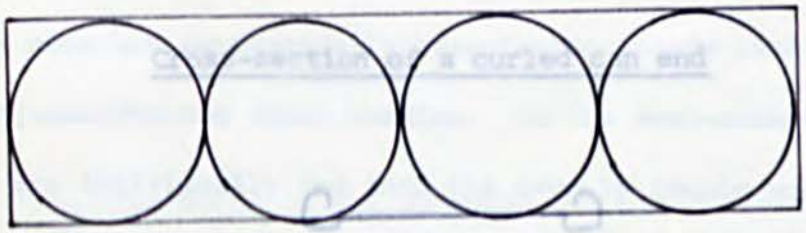


DIAGRAM 2.14

Medium can ends blanks

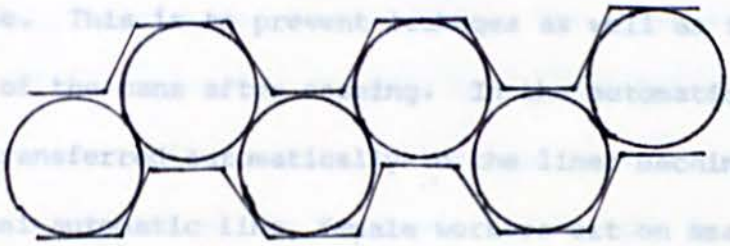


DIAGRAM 2.15

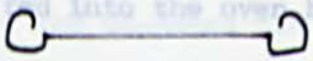
Cross-section of a pressed can end

(iii) Curling

The pressed ends are then automatically transferred down by use of gravity to the curler machines below. Here, the pressed can ends are curled inwards to ensure a firm grip of the ends to the can bodies during seaming.

DIAGRAM 2.16

Cross-section of a curled can end

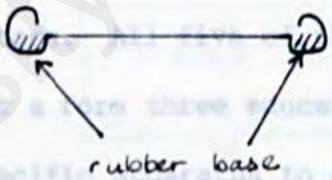


(iv) Lining

After curling, the ends are lined at the edges by using a rubber base. This is to prevent leakages as well as to ensure air tightness of the cans after seaming. In the automatic line, the ends are transferred automatically to the liner machine. However, for the semi-automatic line, female workers sit on small stools at the base of the curler machines to collect the curled can ends and then hand-feed them into the liner machines. One worker is assigned to one machine.

DIAGRAM 2.17

Cross-section of a lined can end



(v) Drying

The rubber base used for lining the ends is wet and therefore need to be dried. To do this, ovens are used. In the automatic line, the ends are automatically transferred to the oven which is placed adjacent to the liner machine. In the semi-automatic line, the ends are individually fed into the oven by female workers seated in between the ovens and the liner machines. This stage is the final processing of the can ends.

(vi) Packing

After drying, the can ends will be checked by female workers in the packing session for faulty ends. The workers are seated down on stools while packing the can ends into small boxes. They stack the boxes up on the floor while the male workers transfer them elsewhere. A portion of the boxes will be brought to the open-top can line for seaming while the remaining portion will be stored up ready to be despatched to customers.

4. Quality Control

The objective of this company of setting up quality control is to help give the customer the quality which he requires.

Periodical visual and measurement checks are carried out by the quality control inspectors. All five of the inspectors in factory X are females with at least a form three education. They are given a small laboratory with specific apparatus to carry out their duties. Besides that, they move around the factory to record down spoilt cans in each production line. The number of spoilt cans will be recorded down in specific forms and given to the quality assurance assistant whom they report to. She will then submit the reports to the production planners of the factory.

The remainings of the unwanted tin plates are sold as scrap by the factory. The rejects or spoilt cans are sold off locally or abroad to be recycled. Therefore, any wastage of this factory has been reduced to the minimum.

Press ends line

DIAGRAM 2.18

Automatic line (for production of medium sized can ends)

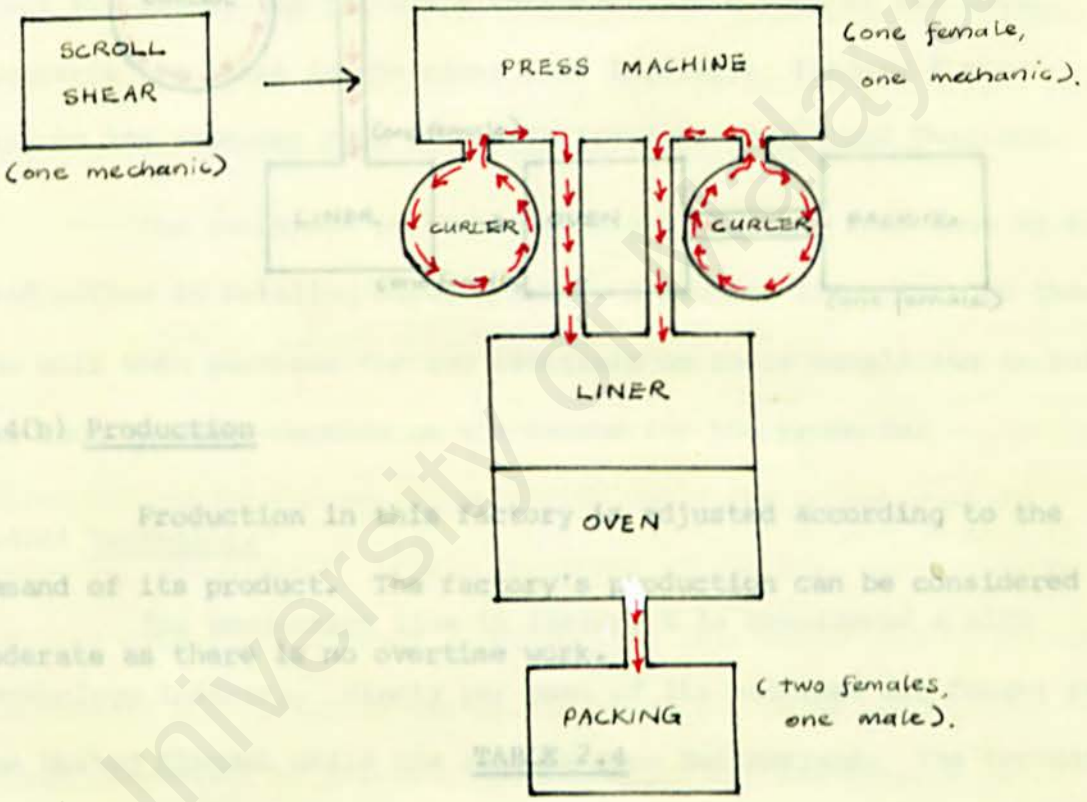
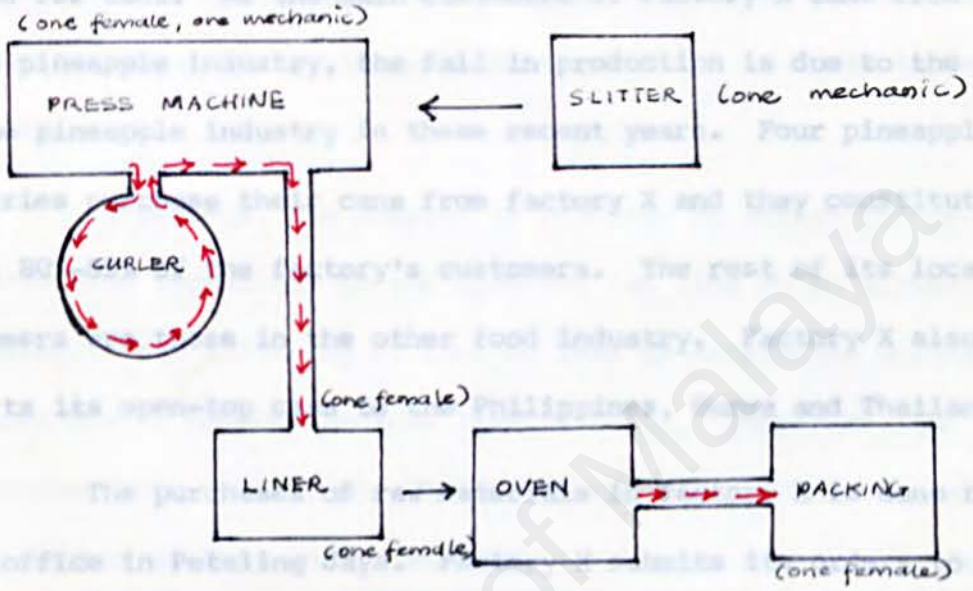


DIAGRAM 2.19

Semi-automatic line (for production of large sized can ends)



2.4(b) Production

Production in this factory is adjusted according to the demand of its product. The factory's production can be considered moderate as there is no overtime work.

TABLE 2.4

Total balance of production for the past three years

	1981 ($)	1982 ($)	1983 ($)
Tin plates purchased	2,900,271	2,627,716	1,180,404
Cans	205,190	288,723	125,443

Referring to Table 2.4, it can be seen that there has been a decline in the purchase of tin plates as a result of a fall in demand for cans. As the main customers of factory X came from the local pineapple industry, the fall in production is due to the slack in the pineapple industry in these recent years. Four pineapple canneries purchase their cans from factory X and they constitute about 80%-85% of the factory's customers. The rest of its local customers are those in the other food industry. Factory X also exports its open-top cans to the Philippines, Burma and Thailand.

The purchases of raw materials in factory X is done by its head office in Petaling Jaya. Factory X submits its orders to them who will then purchase the raw materials on their behalf and in bulk. How much to order depends on the demand for the products.

2.4(c) Technology

The production line in factory X is considered a high technology industry. Ninety per cent of its machines are bought from the United Kingdom while the rest is from Switzerland. The technical know-how of this factory is transferred from its parent company in the United Kingdom which started its operations in this country as part of their policies to expand its business abroad. Since this is a foreign-owned company, the capital equipment here is imported together with foreign professionals. Over the years, the foreign professionals are replaced by the locals as a result of sufficient training in the areas concerning a transfer of technology. In factory

X itself, the mechanics are provided in-house training before they undertake their jobs. As they get familiarised, they will be introduced courses on basic engineering by obtaining notes from the United Kingdom company. Also, video-tapes are used for in-house technical training.

At present, the company is planning to switch its welding and soldering technology in the open-top can line to an all-welding technology. The soldering of cans by lead is considered unsafe and produces health hazards because lead is toxic. Therefore, the Government both locally and abroad impose very strict regulations on the amount of lead used. Welding with copper wires is preferred as it is safer. Besides that, it looks better because soldering leaves a black trace along the can seams. The parent company in the United Kingdom is working closely with the Swiss on the welding technology and hopes to have a lead-free all-welding technology by the year 1986. The urgency of converting this technology is further prompted by the fact that one of the company's local competitors has already installed an all-welding technology for its production of tin cans.

2.4(d) Training

Factory X provides in-house training for its workers. The nature of the job will determine the type of training needed. All new general workers are taught the methods of handling the machines. For instance, the feeding in of tin plates and can ends.

They are also taught how to check for faulty cans and can ends as well as the methods of packing the finished products. All these training lasts a week before actual work is resumed.

As mentioned earlier, mechanics are given in-house training. The theoretical courses are taught by the company's executives from its head office. Practical training are also provided to familiarise them with the machines. Mechanics who are promoted from general workers are given simple basic engineering training lasting a week. Also, all factory workers are given safety and attitude courses (on human relations) prior to undertaking their duties.

Factory X also provides local training for the management staff. Selected employees will be sent to its head office for general management training. Subsistence allowances are given by the company during training. For unionised employees, an allowance of M$35 and above will be given whereas non-unionised employees will either be given a fixed allowance or they can claim for their expenses. Training like this lasts from two weeks to three months depending on the type given. For general management supervision, employees will be sent to the National Productivity Center in Johor Bharu. At the time of study, the researcher had an informal conversation with the factory's accounts assistant who is also in charge of the public relations of factory X. She was attending personnel management courses at nights from an institute there. The company paid for her courses and she was to sit for an exam later on.

Once a month, electrical consultants and engineers will be hired by the factory manager from private companies to inspect the machines in factory X.

The aim of the training by factory X is to provide employees with a better understanding and knowledge of its technology.

2.5 Capital structure and investment

By looking at the number of issued and fully paid shares of this company in 1969[1] and ten years later in 1979,[2] we can see an increase in the amount that is from $13,500,000 in 1969 to $15,882,355 in 1979. This is an increase of 17.6%. There is no increase in the share price which stands at $1 each.

The company's profit after taxation showed only a slight increase of 5.2% in that period of ten years. The increase in capital and slight increase in profit could be accounted for by the fact that the company expanded its business to include manufacturing plastic containers in the seventies. The demand for plastic packaging grew during that period and this company entered the field of plastic packaging in an attempt to obtain a share of the market. Therefore, the company bought new machinery for manufacturing the plastic containers and this added to an increase in the company's profit.

The company is always trying to improve its manufacturing equipment with the aim of optimizing operating efficiencies and productivity. It recognises the world-wide trend in recent years to move away from the tradition soldering processes for can manufacture

and in 1981, the company maintained its technological lead by commissioning one of the latest automatic bodymakers in the Petaling Jaya factory to replace conventional equipment.

Footnotes

1. Taken from the Directors' Report and Accounts, 1969, of company X.

2. Taken from the Annual Company Report, 1979, of company X.

CHAPTER III

WORKERS AND THEIR PERCEPTION OF WORK

3.1 Introduction

It is undeniable that the labour force plays an important role in a factory. It is an element without which a factory cannot operate. Therefore, this chapter aims to look into the labour policies of factory X which sets the parameter and conditions for work. The company's policies and conditions of work will be discussed first followed by an outlook of the general work force in factory X. The personal characteristics and background of the sample will be examined and compared. Also, the comparisons on race and sex differences (where significant) will be discussed. There will also be a discussion on how the workers perceive their work.

Data regarding the company's labour policies and conditions of work in factory X was obtained from the management itself. The background of the sample was obtained through an analysis of the respondents' answers to interviews conducted by the researcher with the aid of questionnaires.

3.2 Labour policies and conditions of work

The company's labour policies adhere quite closely to the labour laws of this country. A collective Agreement between the company and the company's union was signed on November 1983 to last for three years, after which a new agreement will be negotiated. In

the Agreement, the company's labour policies and conditions of work is clearly presented.

1. Working hours

Factory X does not have shift work and operates on normal working hours. The working hours per week of five days for employees engaged in normal day working hours is as follows:

Office clerks, stenographers, clerk typists, peon, tea mixers, laboratory assistants	- 38½ hours
All other employees	- 44 hours

The starting and finishing times for employees engaged in normal day work are as follows:

Hours per week	Monday to Thursday
	8.30 a.m. - 1.00 p.m.
	1.45 p.m. - 5.00 p.m.
38½ hours	Friday
	8.30 a.m. - 1.00 p.m.
	1.45 p.m. - 4.45 p.m.

Hours per week	Monday to Thursday
	7.30 a.m. - 12.00 noon
	12.45 p.m. - 5.15 p.m.
44 hours	Friday
	7.30 a.m. - 12.00 noon
	12.45 p.m. - 4.15 p.m.

2. Overtime

Factory X occasionally calls for overtime work when the demand for its products increases. Overtime is worked at the request of the company and with the consent of the employees but such consent shall not be unreasonably withheld. Overtime here is work performed at the prior request of the company on Saturdays and outside the normal working hours on working days, that is work performed either before starting time or after finishing time.

The workers being interviewed expressed that they welcome overtime work because it means additional income for them. But they were disappointed by the fact that factory X hardly requests for overtime work. This is because the demand for its products are moderate and can be met with without any overtime work done.

Overtime is paid on a working day for not less than one hour. After one hour, it will be calculated in half-hourly period. Employees will not be asked to work overtime for less than four hours on a Saturday. Workers are divided into two categories just for overtime rate, namely:

Category A

All employees engaged in manual labour or engaged in the operations of maintenance of machines or mechnically propelled vehicles or those who supervise or oversee other employees of the company who are engaged in manual labour.

Category B

All employees other than those in Category A above such as those engaged in office or clerical work.

Employees who are eligible for Category A will be paid overtime at a rate based on their monthly salary irrespective of the amount.

Employees who come under Category B and earning $750 and above per month will be paid overtime on working days and Saturdays at $8.50 per hour.

The rate per hour for all employees who are eligible for Category A and all employees under Category B who earn less than $750 per month will be calculated as follows:

(i) Employees working 38½ hours per week

$$\text{Rate per hour} = \frac{\text{Monthly Rate of Pay} \times 12}{38.5 \times 52}$$

(ii) All other employees:

$$\text{Rate per hour} = \frac{\text{Monthly Rate of Pay} \times 12}{44 \times 52}$$

3. Work on rest days and public holidays

Employees will be asked to work for less than four hours on a Rest day or a gazetted public holiday. Those who are eligible for Category A stated in (2) above will be paid at twice the rate per hour for work done on such days. The calculated rate per hour

will be in accordance with the formula set out as mentioned earlier on overtime pay. Employees under Category B will be paid at a fixed rate of $11.45 per hour. Holiday pay for the gazetted public holidays is already incorporated in the basic salary.

4. Call-out

For each occasion an employee is called out from his home to work overtime (that is when prior notice had not been given), the request will be construed as a "call-out" and the employee will be paid for a minimum period of four hours overtime work at the appropriate overtime rate. The call-out arrangement applies to all days of the week.

5. (i) Stoppage of work

In the event of temporary shortage of work for reasons beyond the control of the company arising for example from failure in power supply, water supply, fire, etc., employees will clock out at the end of the day or as soon as it is reasonably known that stoppage cannot be remedied for that day; whichever is the earlier. Unless the company has other relevant work to which employees may be deployed, employees shall be notified regarding the resumption of work as soon as possible.

If employees are requested to clock out or sign out before the normal finishing time on the first day of stoppage, they will be paid for the remainder of the working day. When the stoppage

continues beyond one day and employees are told not to report for work on the day(s) concerned, they may be required to work on Saturdays to replace the day(s) of stoppage not worked.

(ii) Annual shut-down and festival shut-down

When an annual shut-down is implemented, employees will be required to work seven working days of their annual leave during the shut-down. Key personnel required to work during the shut-down can take their annual leave at other periods.

In addition to the gazetted public holidays, the factory and offices will be closed an extra days during festivals:

Hari Raya Puasa:	2 working days
Chinese New Year:	2 working days
Deepavali:	1 working day

The extra days of closing will be set off against annual leave. Annual leave may not be granted on the day preceding and immediately following the period of closing in connection with the shut-down and gazetted public holidays during the festive seasons. It can only be granted provided there is at least a two-week advance notice given but such applications may not be approved if business requirements make it impossible to grant such a leave.

6. Annual leave

Employees are entitled to paid annual leave after the completion of every twelve months service as follows:

TABLE 3.1

Annual Leave Structure of Factory X

Length of service (years)	Number of working days granted
1	13
5	15
7	19
15	20
20	22

If a public holiday falls within the period of annual leave, an additional day's annual leave will be granted. Where an employee falls ill during his annual leave period, his annual leave will be extended by the number of days of sick leave granted.

An employee will be given pay in heir of annual leave in cases of resignation, dismissal, retirement or retrenchment where payment is made at a pro-rate basis calculated to the nearest completed month.

Until such times as the annual factory shut-down is implemented, employees are required to take their annual leave in

accordance with a roster which will be drawn up in January, May and August of each year. Employees should take at least five consecutive days leave at any one time but application for a shorter period will be considered depending on company requirements. All annual leave must be applied for and absence without leave shall not be set-off against annual leave.

Two of the researcher's respondents from factory X sounded their grievances about their annual leave. Their application for annual leave for a certain time of the year were usually met with disapproval and instead they were asked to take their annual leave at odd periods when they did not really need them.

7. Sick leave

Employees are entitled to paid sick leave not exceeding in the aggregate:

(i) 28 working days in each calendar year if no hospitalization is necessary

(ii) 60 working days in each calendar year if hospitalization is necessary

Any sick leave granted for the purpose of recuperation immediately after hospitalization will be treated as hospital leave. Sick leave will only be granted on the recommendation of a registered medical practitioner appointed by the company. In cases of emergency, an employee may report to call at any registered medical practitioner whose recommendation for sick leave will be accepted by the company

if informed within forty eight hours. Paid sick leave will not be granted in respect of any proven illness, disease or injury which is self-inflicted or which arises from misconduct, attempted suicide, an unlawful act, use of unprescribed drugs, illegal abortive measures, excessive use of alcohol, exposure of any injustifiable hazards except when endeavouring to save human life or provoked assault.

8. Maternity leave

A female employee is entitled to maternity leave for a period of sixty days in respect of each confinement. A maternity allowance equal to two months' basic pay will be paid during the maternity leave of sixty consecutive days. Application for such maternity leave will be supported by a certificate from a registered doctor.

Leave of absence on annual leave of miscarriage during the first twenty eight weeks of pregnancy will be considered as normal sick leave. Miscarriage in this case does not cover illegal abortion. Under normal circumstances, any additional leave after the sixty consecutive days must take annual leave.

The female respondents interviewed had no complaints about the company's maternity leave.

9. Prolonged illness

In the case of prolonged illness such as tuberculosis or leukaemia, an employee will be granted three months' leave on full pay and three months' leave on half pay provided the employee is under

the direct care of the company's doctor, the physician of the Malaysian Association for the Prevention of Tuberculosis, the Assunta Hospital, or the Government Hospital. Such leave will be over and above the normal sick leave entitlement.

10. Special leave

Employees will be granted paid leaves in connection with the following:

(i) first marriage of employee - 3 working days

(ii) birth of employees' legal child - 2 working days

(iii) death of employees' immediate relative namely husband, wife, parents, children, brothers, sisters, grandparents and parents-in-law - 2 working days plus travelling time.

The entitlement to paid leave in connection with the above will not exceed seven working days in each calendar year.

Where an employee has exhausted his annual leave entitlement for the year, the company will consider application for emergency leave arising from urgent or important personal matters but reserves the right to decide on what terms such emergency leave will be granted.

11. Industrial accidents

In cases of accidents arising out of and in the course of employment, the Company will grant accident leave in accordance with the provisions of the Social Security Act. Such leave will be on full pay for a maximum of twelve months.

12. Medical benefits

All employees enjoy the privilege of free medical treatment and free medicine prescribed by a registered doctor appointed by the company.

All employees will be granted second class hospital accomodation and second class ward charges in a Government hospital, including where necessary, X-rays, specialist and operation fees, etc. subject to a limit of $2,000 per year.

13. Disablement

The company will where possible, provide alternative employment for an employee who suffers disability due to sickness or accidents subject to the circumstances obtaining at the time.

14. Health precautionary measure

Employees will submit to medical treatment or examination including X-rays, as and when required to do so by the company. The company states it to take place annually but the Union asked for it to be done once every two years. The company complied to the request.

15. Retrenchment

The company will give as much advance notice as possible to the Union as regards to names, categories and grades of employees to be retrenched. Such notice has to be given at least one month

prior to the date on which the employee concerned are to be notified of the retrenchment. The company will pay one month of the last drawn basic salary for each year of service and proportionately any incomplete year as retrenchment benefit.

Retrenchment has never happened before in factory X ever since it commenced its business. Most of its factory workers have been working in the company for more than ten years and they will probably resume working till retirement.

16. Retiring age

The retiring age for all employees is fifty five years. If the company so desires and if the employee is willing, he may be employed after the retiring age on a year to year basis.

17. Salary structure at the factory level

TABLE 3.2

Salary structure of factory workers

Grade	Minimum Salary	Maximum Salary	Annual Increment
Storekeeper 1	$600	$1,497	$69
Storekeeper 2	$468	$1,157	$53
Wireman	$456	$1,106	$50
Skilled 1	$432	$1,082	$50
Skilled 2	$360	$ 984	$48
Quality Inspector 1	$336	$ 960	$48
Driver - Lorry and forklift	$288	$ 808	$40
Skilled 3	$252	$ 772	$40
Quality Inspector 2	$233	$ 662	$33
General Workers (Male)	$233	$ 623	$30
General Workers (Female)	$204	$ 568	$28

The table above shows that there are different grades for a certain type of job. For example, skilled 1 means the most skilled mechanic in the factory. These jobs were graded in order of merit.

On every December 15, the company pays a bonus of two months' basic pay to employees who have completed one year's continuous service from the date of their confirmation in their first appointment.

The company pays the statutory contribution which currently is at 11% of employees' total wage to the Employees Providend Fund (EPF). The workers pay 9% of their total wage.

18. Attires

With the view of creating a greater sense of commonness, discipline and safety among employees, the company provide confirmed employees with the following attires:

(a) Uniforms

All employees in the factory working forty four hours per week will each be provided with three shirts and three pairs of trousers.

(b) Footwear

(i) Two pairs of leather shoes are provided to drivers of lorries and forklifts

(ii) One pair of safety shoes is provided to factory personnel in the Supervisory and Skilled Grades, Wiremen, male general workers and factory clerks working forty-four hours per week.

(c) Earplugs

Earplugs are provided to all the factory personnel. This is because the factory is very noisy as the production of tin cans produce very loud noise. Any visitor or entree into the factory proper is requested to put on earplugs.

When uniforms and footwear are issued, the employee concerned will be told in writing, that these articles must be worn at all times during working hours.

19. Other benefits

The company will give all employees testimonials upon resignation, retirement and retrenchment. These testimonials will state the particular skill of the employee(s) concerned and will comment on the quality of the work performed including the conduct of the employee.

Souvenirs will be given to employees who have worked a certain length of time with the company. A retiring employee with more than fifteen years of service will be given a watch. Those with twenty years of service or more will be given a watch worth about $1,000.

3.3 General Work Force

The general work force in factory X is female dominated; majority of its workers are female machine operators. Their work is simple and requires little or no skill at all. Furthermore, female general workers are paid less than the male general workers and this brings about cheaper labour for the same amount of work done had male workers been employed instead. The male general workers in factory X are involved in heavy manual tasks like stacking and loading packed cans onto forklifts and thereafter to drive them to the stores for storage. All the skilled mechanics in factory X are male workers.

3.4 Background and Characteristics of Sample

Due to constraints placed by the management in both the factories and also the unwillingness of the workers, the researcher could only manage to gather thirty factory workers as her respondents: fifteen each from factory X and factory Y. All the respondents are married. Those in factory X are Chinese married workers (eight males and seven females) whereas those in factory Y are Malay married workers (also eight males and seven females). The reasons for the nature of this sample has been discussed in the first chapter. For the purpose of this study, a comparison of the personal background and characteristics of the two races will be made. There will also be a comparison where sex differences is significant.

3.4(a) Age Level

TABLE 3.3

Age Level of Sample

Age (in years)	Chinese (no.)	Malays (no.)
20 - 30	1	2
31 - 40	3	8
41 - 50	7	5
51 - 55	4	-
Total	15	15

From the table, it can be seen that majority of the workers in factory X falls on the 41-50 years category. This is because many of them have been working in the factory for sixteen to nineteen years. (see Table 3.10). Most of the respondents in this factory formerly worked in the factory of the same company in Singapore before factory X was set up in Johor. They sought transfer to work in factory X when it began its operations. Factory Y, on the other hand, has slightly younger workers where most of them are of the 31-40 year old category.

The difference in the age category between the Chinese and the Malay workers can probably be accounted for by their origin. As the following table will show, most of the Chinese workers originated from the town area and were thus more aware of job opportunities of factories nearby. Thus, they start work at a younger age. Majority of the Malay workers are migrants from rural areas and many of them were engaged in rural jobs like farmwork, padi planting, rubber tapping and the like before migrating to urban areas for a different job. This process takes some time and as studies of rural-urban migration reveals, the largest age-group of migrants is that between 20-40 years of age.

TABLE 3.4

Places of Origin of Sample

Places of origin	Chinese (no.)	Malays (no.)
Urban	10	1
Rural	5	14
Total	15	15

3.4(b) Level of Education

Education is an important prerequisite for most jobs because more often than not it will determine the type of job one can get. Those with low academic qualification (Form Three and below) are most likely to find lower income jobs which require manual labour or semi-skilled labour. Thus, in most factories, it is common to find workers with relatively lower level of education attainment.

TABLE 3.5

Education Level of Sample

Level of Education	Chinese (no.)		Malays (no.)	
	Male	Female	Male	Female
Uneducated	2	2		
Standard 1 - 6	3	2	1	3
Passed Primary School		2	2	3
Form 1 - 3	2	1	3	1
Passed L.C.E.	1		2	
Total	8	7	8	7

Note: L.C.E. = Lower Certificate of Education

Table 3.5 above reveals that the male workers in both factories are generally higher educated than the female workers. Thus, they work as skilled mechanics. The lower educated male workers are the general workers who get lesser pay each month. A majority of the female workers have up to primary school education. On the whole, the Malay respondents are more educated than the Chinese respondents. This is more obvious among the male workers of both races.

3.4(c) Number of Children

As the sample for this research consists of married respondents, it is therefore essential to know about the size of their families, whether or not, with their meagre income they will keep it small. Table 3.6 shows the number of children in each household of each respondent.

TABLE 3.6

Number of Children of Chinese Respondents

No. of Children (x)	f	fx
1	3	3
2	3	6
3	2	6
4	6	24
5	1	5
Total	15	44

Notes: f = frequency for the number of children of respondents

fx = total number of children by total number of respondents in each category

$$\text{Mean number of children} = \frac{\Sigma fx}{\Sigma f} = \frac{44}{15} = 2.9$$

TABLE 3.7

Number of Children of Malay Respondents

No. of Children (x)	f	fx
1	3	3
2	2	4
3	3	9
4	3	12
5	3	15
6	-	-
7	1	7
Total	15	50

$$\text{Mean number of children} = \frac{\Sigma fx}{\Sigma f} = \frac{50}{15} = 3.3$$

From the two tables shown, it can be derived that the average number of children of both the Chinese and the Malay respondents are three children. Therefore, on the whole, they keep an average sized family as most of them do not earn a lot of money each month as factory workers. (see Table 3.9). Comparing the two races, the Malays have more children as a whole and this is consistent to the national data (Census 1980).

3.4(d) Status of Children

It is insufficient to just know the number of children of the sample. It is equally important to know about the status of their children, especially the dependants because it has a direct influence on the respondents' financial status.

TABLE 3.8

Employment Status of Children

Status	Chinese (no.)	Malays (no.)
Pre-school	2	19
Schooling	29	29
Working	10	-
Unemployed	3	2
Total	44	50

Table 3.8 reveals that a majority of the respondents' children are still of the schooling age. A large number of the Malay respondents' children are of the pre-school age as most of the Malay respondents are younger than the Chinese. It can also be seen that a large number of the Chinese respondents' children are working and this lessen the burden of their parents in terms of financial aid. On the whole, the respondents studied have a large number of dependants in their families. They are the ones in the pre-school age, those still schooling and

those unemployed.

3.4(e) Level of income

TABLE 3.9

Income Level of Sample

Income level per month	Chinese (no.)		Malays (no.)	
	Male	Female	Male	Female
$200 - $300				2
$300 - $400		1		2
$400 - $500		6		3
$500 - $600	1		3	
$600 - $700	2			
$700 - $800	2		4	
$800 - $900	1			
$900 and above	2		1	
Total	8	7	8	7

Table 3.9 above shows that the largest number of both the Chinese and Malay respondents fall into the income group of $400and $500. Most of the female workers earn $500 and below per month while the male workers are paid higher ($600 and above).

Comparing the two races, the Chinese workers on the whole earn more than the Malays. This is because they have been working

very long in factory X and have been reaping their annual increments in their salaries. The female Malay workers earn less than the female Chinese workers because they are younger and have been working lesser years than the Chinese. However, the results in the table shown reveals that four of the Malay workers earn between $700 and $800. Upon investigation, it is found that they are the skilled mechanics who had been with the company for twenty to twenty-three years. Further investigations also reveal that the two male Chinese workers earning $900 and above a month are also the skilled mechanics who have been with the company for twenty six years.

3.4(f) Length of Service

TABLE 3.10

Length of Service of Sample

No. of years	Chinese (no.)		Malays (no.)	
	Male	Female	Male	Female
5 - 8				2
9 - 11		2	3	1
12 - 15	3		1	3
16 - 19	4	4		1
20 - 23		1	4	
24 - 27	1			
Total	8	7	8	7

Table 3.10 clearly reveals that the Chinese workers work longer years than the Malay workers. When asked the reason for their staying with the company, 80% of the Chinese respondents mentioned that they like the company and also because they are old already. Therefore, they did not wish to switch jobs. The remaining 20% answered differently. One of them, a female worker, had thoughts about quitting her job to become a housewife. She felt that she should not neglect her child by taking up a job. Another respondent, aged 35, mentioned that he wished to change his job but will stay on until a better job which will give him more comforts comes along. At the moment, he felt that it is not easy to find such an ideal job. The third respondent, a skilled mechanic who is in his late forties, mentioned that he will quit his job as soon as he has enough money and capital to start his own business.

All the fifteen Malay respondents of factory Y had no intention at all to change their jobs. 40% of them liked the company and felt that the company treats them well. They felt secured in their jobs which they found stable. 26.6% said that it would be difficult to get a job (similar or otherwise) elsewhere. Probably they could not get as good a pay as that offered by the company. Should there be a job, 20% of them did not wish to switch as they felt a sense of responsibility towards their families and also felt that their present jobs are secured enough. 13.3% of them gave old age as their reason for staying with the company.

3.5 Workers' Perception of their Work

With the labour policies and conditions of work and also the background of sample having been looked into, it is necessary to study how the workers perceive their work. Focus will be on their level of satisfaction in their work and salary, the nature of their work, relationship with their colleagues and subordinates, choice of other types of job (if there is any), and lastly the awareness of their role as factory workers.

3.5(a) Job

TABLE 3.11

Level of Job Satisfaction of Sample

	Satisfied		Not satisfied	
	Chinese (No.)	Malays (No.)	Chinese (No.)	Malays (No.)
Pay	12	14	3	1
Job security	15	15	-	-
Chances of promotion	7	-	8	15
Work environment	12	6	3	9
Interaction with others	13	15	2	-
Freedom to move about	9	15	6	-
Kind of job	14	15	1	-
Supervisors	14	15	1	-
Safety at work	6	15	9	-
Discipline	12	15	3	-
Rate of job (fast/ slow)	12	15	3	-

From Table 3.11, we can say that the respondents are generally satisfied with their present job. The most disatisfied issue is over the chances of promotion. 67.6% of the respondents feel that there is absolutely no chances of promotion in their work. The more optimistic ones are the Chinese male mechanics because they are graded in accordance to their abilities and performances. Many of the respondents are generally satisfied with the interaction with their colleagues, nature of their job, supervisors, safety in their work, the discipline in the factory and the rate of their job. They feel that they are used to the work environment and the nature of their job. 33.3% of the respondents complained that the atmosphere in the factory is too hot and lacks ventilation. Many of them suggested that more fans should be installed or better still have the place air-conditioned. Where job security is concerned, both the respondents from factory X and factory Y are 100% satisfied.

Comparing the Chinese and the Malay respondents, the latter group is more satisfied with their job. It can be derived that the Chinese workers are more particular in the nature of their job. They have more grievances than the Malays. This could probably be accounted for by the fact that the Malays feel closer to the Government and are less particular about their work and so harbour less grievances.

3.5(b) Nature of Job

All the respondents feel that their work require a high degree of concentration. The female general workers say that they

need to be careful while handling the large machines. For example, the feeding in of strips of tin plates for pressing require caution lest they injure their fingers. The mechanics, on the other hand, need to see to it that the machines run smoothly and that calls for concentration. They stand by the machines and check that the mechanisms of the various machines do not malfunction. The workers generally feel that their workload is neither light or heavy, too fast or too slow, they feel that their work suit them. Initially they find it difficult as they are new to the work as with any other beginners but through time, they get used to the nature of their work. The female workers do not find their work boring as they rotate their type of job every week. Each week, they operate more than one type of machine. For example, for the first two days of the week, a worker does the feeding in of tin plates to the press machine. The following day, she may be transferred to the open-top can line department to do the packing of the finished products. After two days, she may be asked to return to the press ends line to feed in the can ends to the oven for drying in the semi-automatic line. Therefore, in a week, they do not solely do one type of work but various types. The female respondents do mention that they feel bored and drowsy only when they are not feeling well like having occurring headaches or some other uncomfortable feelings. The skilled mechanics do not have any complaints of being bored with their work because they have to be alert and move around the machines being inspected.

The respondents say that they follow their company's rules and regulations closely when performing their tasks. Therefore, they do not work by their own initiative but follow instructions from their subordinates. This also means that they are in no position to determine the amount of work to be done as well as the rate of their work. Because their work require concentration, the workers do not have the mobility to interact with their colleagues except during their breaks. However, while doing her research in both the factories, the researcher observed that her respondents interact very well with each other. She could see a rapport among the factory workers, regardless of sex and race.

The responses to what type of job they will mostly likely choose given a choice are somewhat similar for the Chinese and Malay respondents. The table below shows the results:

TABLE 3.1[2]

Nature of Job	Chinese (No.)	Malays (No.)
Same job	2	3
Easier job with better pay	1	7
Own business	2	-
Job with more experience	2	2
Don't wish to change	8	3
Total	15	15

From the table, it is clear that most of the Chinese respondents do not wish to change their jobs as most of them are old and have no intentions to take up another job. The younger Malay respondents, on the other hand, would like a job which is easier and pays better, given the choice. Only 40% of them do not intend to switch jobs. The reasons they give are that they like the company and the security it gives. The respondents who want jobs with more experience are the more ambitious male workers. They feel that they are capable to learn and expand their knowledge of work. Besides that, they also feel that their chances of promotion in the present company are almost nil.

3.5(c) Salary

TABLE 3.13

Level of Satisfaction of Salary

Sufficiency of Salary	Chinese (No.)	Malays (No.)
Not enough	7	2
Just enough	5	11
Enough	3	2
Total	15	15

Table 3.13 shows that a large group of the respondents live on subsistence level. Only 16.6% of them feel that their income level is sufficient while 30% of them grieved that their income is insufficient.

The Malays are more satisfied than the Chinese about their income. This could be because the Malays are mostly from rural areas and their spending habits are more thrifty than the Chinese in urban areas. The Chinese spend a lot of money on food as they consume lots of meat and vegetables in their daily meals, unlike the Malays who spend little on food. There is a general consensus about the Chinese on the average possess a higher standard of living than the Malays of the same income level.

3.5(d) Relationship with colleagues and subordinates

The table below shows what the respondents think of themselves as workers.

TABLE 3.14

What Sample Thinks of Their Co-workers

	Chinese (No.)	Malays (No.)
They are matured and responsible, therefore no strict discipline is needed	12	9
They are irresponsible, therefore need supervision to increase their performance	3	6
Total	15	15

80% of the Chinese respondents feel that their colleagues are matured and able to carry out their work without much supervision. This could be due to the fact that most of them have been working with the company for years and are familiar with their work and the rules accompanying them. 60% of the Malay respondents feel that their colleagues are responsible and thus need no strict supervision. 20% of the Chinese and 40% of the Malay respondents feel that strict supervision ought to be imposed on some of their colleagues who are irresponsible and do not take their work seriously. They feel that by doing so, it will increase their work performance.

The workers interviewed also have a good relationship with their supervisors and foremen. They feel that their supervisors and foremen do not show any favouritism towards them and are aware of any problems (technical or otherwise) in the factory. They are viewed by the workers as matured and responsible in carrying out their duties. When asked further if they feel that they are capable to become a foreman, all the fifteen Chinese respondents do not think so. Their reasons are that they do not qualify, they lack experience, are illiterate and are not willing to bear the heavy responsibilities of a foreman. However, three of the Malay respondents feel that they might be able to do so and are willing to learn. The remaining twelve respondents are more pessimistic and give reasons similar to the Chinese respondents.

3.5(e) Awareness of role as workers

All the thirty respondents mention that they are aware of their roles as factory workers. They know the do's and don'ts of their work. The majority of them have been working in the company for many years and are thus familiar with the nature of their work and what the company expects from them. All of them underwent training before doing their work. The general workers were shown how to operate the factory's machines and also given safety courses all within a week before starting work. The mechanics were given in-house training to familiarise them with parts of the machines and how they are run. Initially, they learn as they work and eventually get more familiar with their work.

3.6 Conclusion

Having done a comparison of the races and sex differences in various aspects, it is important to draw up any distinct similarities or differences in the areas studied. The male workers in both factories being mainly the skilled mechanics have a higher level of education than the male and female general workers. The Chinese workers who have worked longer in factory X than the Malays of factory Y received more income but yet they still complain about their income being insufficient. The Chinese are by nature more spendthrift and the male respondents say that they gamble occasionally. Further investigations show that the Chinese have a higher standard of living than the Malays. Another difference between the two races is about

switching jobs. The Malay workers are contented with their present jobs while some of the more ambitious Chinese workers have plans to change their jobs if opportunities arise. The most striking similarity among the Chinese and Malay respondents is the average size of their families. They have to keep it small because their low income level do not encourage a big family. Where income level is concerned, the male workers earn more than the female workers.

CHAPTER IV

LABOUR-MANAGEMENT RELATIONS

4.1 Introduction

The objective of this chapter is to discuss the labour-management relationship in a company. The discussion will cover laws governing the establishments of trade union in this country and the recognition of a workers' union. Specific aspects covered will include a brief history of the workers' union in factory Y, its structure, activities, problems with the management, its relationship with its employer and lastly the attitudes of the workers towards their own union. The union leader and the secretary was interviewed by the researcher to obtain her data.

4.2 General atmosphere of trade unionism in Malaysia

Labout as an organised force can yield much power; it can ultimately cripple not only specific enterprises and industries but, in the more essential services, the smooth-running of national service. The confrontation between financial stamina on the part of the employers and labour muscle on the part of the workers should give way to a more enlightened cooperative endeavour to work towards the benefit for all.[1]

Collective Bargaining and Labour Arbitration in Malaysia are governed primarily by the Industrial Relation Act enacted in 1967 and completely revised in 1976 after twice being amended in 1971 and

1975. It is implemented by two other pieces of legislation; the Trade Union Ordinance (TUO) 1959 and the Employment Ordinance (EO) 1955. The TUO regulates trade union activities and the EO various aspects of the employer-workmen relationship; the latter also establishes minimum terms and conditions of employment for workmen earning less than Malaysian $750 a month.

The TUO restricts the right to form unions. Unions may only be formed within a particular trade or occupation or industry or with other similar trades, occupations or industries, similar with the opinion of the Registrar of Trade Union.[2] The TUO also requires that every union formed apply to be registered within a specifid period of time. If this is not done, the union must be dissolved and its funds disposed of. The Registrar may refuse to register a union if in his opinion it is likely to be used for unlawful purposes. Appeal from any exercise by the Registrar of his power to register lies on the Minister of Labour and Manpower whose decision is final and not questionable in any court. The TUO makes it clear that Government employees (both at federal and state levels) do not enjoy the rights to form, to join or to participate in the (lawful) activities of unions: they may enjoy these rights if permitted to do so by the King. Therefore, the Registrar and government has the power to prohibit the existence of the unions and these two are often used to get obedience conformity.

Industrial relations in Malaysia has historically depended for its effective functioning on legislation and executive action, just

as the growth of trade unionism itself has depended upon the protective and regulatory measures of the Government. The Industrial Relations Act gives employers as well as workmen the right to form, the right to join and the right to participate in the activities of trade unions but employers and workmen are prohibited by the TUO from being in the same trade union. It permits employers to require that workmen engaged in a confidential capacity in matters relating to staff relations not join a union. Under the Industrial Relations Act too, before Collective Bargaining may be initiated or a Collective Agreement concluded between a workmen's union and an employer, the former must obtain recognition that it represents fifty per cent of the workmen employed by the latter. Before a trade union can negotiate pay and conditions of employment fora particular grade or service, it must obtain recognition for the relevant authority (in this case, the Council on Pay and Conditions of Service - the CPCS) that it is truly representative of the employees in that grade and service.

The Industrial Court occupies a fairly central place in the whole system of industrial relations in Malaysia. The concept of the Industrial Court to which disputes is compulsorily referred for final and binding arbitration is a critical aspect of the success of the whole system of industrial relations. The Industrial Court as a court of equity, acting in good conscience and according to the merits of each case, has helped to shape the style of the collective relations among employers and their workers. Comprising the Chairman and assisted by a panel of three persons drawn respectively from employers,

workers and the public, the court has come to gain wide acceptance among both employers and workers and helped resolve many a crises amicably and effectively without resort to an expensive and painful trial of strength. Awards of the court are final and conclusive and cannot be challenged, appealed against, reviewed, quashed or called in question in any court.[3]

4.3 Trade Union in Factory Y

4.3(a) Introduction

The researcher was unable to interview the union leader or any of the committee members of factory X while conducting her study there. This was because her respondents were selected by the management and the researcher wanted to avoid any misunderstanding with the management by asking information about its union which is a sensitive issue. Thus, any information about its union was obtained from her respondents. Furthermore, at the time of study, the union leader of factory X was on leave. Since the unions of factory X and factory Y are affiliated, the researcher decided to interview the union leader and its committee members of factory Y. This was made possible because the researcher contacted the union secretary to select her respondents for her interview. After the interview, the researcher arranged for an informal interview with the union leader and secretary. Through it, she gained an insight of the trade union movement in factory Y.

4.3(b) Brief history of the union

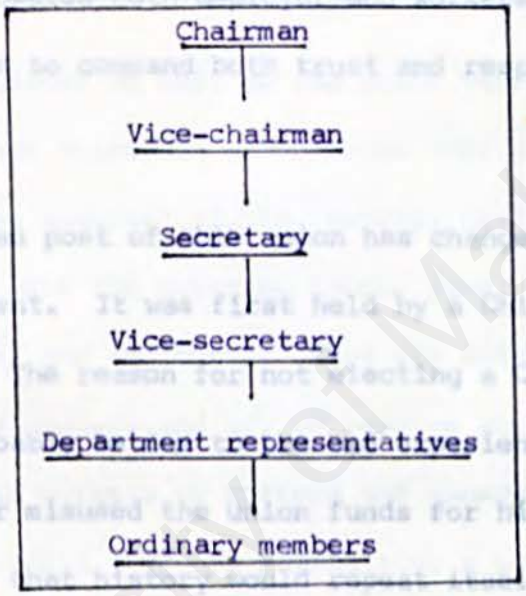
The workers in factory Y formed a workers' union as early as 1962. The first chairman was a Chinese, reflecting composition of the workforce there. The union had eighty members which consisted of the lower administrative staff and factory workers. The Chairman took advantage of his seniority and misused the union's funds. He made a trip overseas on the pretext that it was for the benefit of the company and used the union funds to cover his expenses. The union members felt that it was an unnecessary deed for a union with such a small membership and low union funds. The union therefore could not develop for the actual benefit of its workers. Due to his irresponsibility, he was not re-elected as a Chairman during the next election. He not only lost his popularity among the union members but also their trust and respect. His post was taken over by a Malay male worker.

In 1968, there was a merger between this union with those from other factories in the metal industry to form a union appropriately named the Metal Industry Employees' Union (MIEU). A meeting was held to elect the head of MIEU and a Malay male worker from Alluminum Company of Malaysia (ALCOM) was elected as president. Till today, he still holds the post. The researcher's informant praised him for carrying out his duties well. Since the merger, MIEU recruited thirty six unions from different companies.

4.3(c) Structure of the union

TABLE 4.1

Structure of the Union Committee



As can be seen from Table 4.1 above, there are four main posts in the union committee. There is no treasurer because all of the union's finances are handled by the MIEU. The posts of the Chairman, vice-chairman and secretary are presently held by Malay male workers while the vice-secretary is an Indian male worker. These four top posts had never been held by women before because, according to the leader, the members are still sceptical about their abilities to lead. The union members elect the committee members during a general meeting held once every two years. If possible, the committee-elect should fulfil the following criteria:

(i) he must have worked in the company for many years and is very familiar with the company policies and workers' rights.

(ii) he must carry out his duties well for his and all the other members' benefit.

(iii) he must possess a positive attitude towards his work and to show justice towards both employer and workers.

(iv) he must be able to command both trust and respect from fellow workers.

The chairman post of this union has changed hands four times since its establishment. It was first held by a Chinese man, followed by three Malay men. The reason for not electing a Chinese leader again could most probably be due to the bad experience the union faced when a Chinese leader misused the union funds for his own benefit. They probably feared that history would repeat itself. Altogether, there are sixteen committee members; from every department, there will be a representative from every shift (factory Y operates on shift work while factory X does not). There are seven departments in the factory of which five departments operate on shifts. Therefore, there are twelve representatives from these departments.

The chairman heads the union and helps in making its decisions. He is assisted by the vice-chairman. The secretary and his assistant take charge of the paper work and help arrange meetings in an orderly manner.

4.3(d) Activities of the union

The membership of the union in factory Y is 690 members out of which two-thirds are female members. In factory X, there are 770 members. All the union members are permanent workers. Temporary workers and those on probation do not become members.

The union leader as well as the union secretary when interviewed shared much awareness of the role they play in the union that is to protect the workers' rights, safety, health and welfare. They are well-versed with the existing labour laws, company policies and rights of employer and employees. They are ever ready to hear out any grievances of its members and try to resolve any differences be it between workers and workers or workers and management with minimum complication. They stress a lot on maintaining a peaceful labour-management relationship.

The union keeps a union fund (handled by MIEU) with a monthly subscription fee of three dollars payable to the MIEU. The fund is used for purposes such as emergency aid to members. For instance, when there is a death of any immediate family member of a union member, the fund will donate a certain amount of money to the bereaved family concerned. The sum given will depend on the duration of the membership of the person involved. The usual amount is between $350 to $500. Also, should any natural disaster (fire, flood, etc.) befall a member and his/her family, the union will donate up to a maximum sum of $500; depending on the extent of damage. At present, the union is financially strong and they have not encountered any financial

difficulties so far. Much praises were given to the president of MIEU by the union leader who mentioned that he managed the union competently including its financial aspects.

The trade union of factory Y holds a meeting with the company representatives once in two months. They discuss issues relating to the work environment of the workers; for example, in granting the requests from the workers to replace worn-out uniforms, shoes or ear-plugs. The union also holds meetings among the committee members to discuss things like the actual implementation of the Collective Agreement that is how closely the company follows the contents of the Agreement (the most recent Collective Agreement was drawn up last November 1983 to last for two years). Past experiences revealed that the company normally did not grant the union's requests on time. For example, during the last meeting (at the time of study) with the company representatives, the union requested that the company provide a stock of workers' uniforms a month ahead of the next meeting with the union so that the uniforms may be readily available upon request; without making the workers wait. They also asked the company to give their compensation money for the workers' medical fees as promptly as it is urgently needed by the workers. In the past, the company took a long time to do so and the workers had to resort to borrowing from relatives and friends to settle their medical bills. Thus, the delay in receiving money from the company defeats the purpose of having it drawn up in the Agreement.

The union also organises out-station trips for its members

during weekends or public holidays. This is to encourage interaction between the various ethnic groups. How often such trips take place is very much determined by time factor. Trips to beach resorts nearby prove to be the most popular among the workers.

4.3(e) Problems with management

In 1973, the union faced some problems with the management regarding the cost of Living Allowance (COLA) of its factory workers. It began when the company decided to enforce the work to rule policy and as a result it abolished any overtime work. The workers were not satisfied as overtime work brings more pay for them. With this enforcement, they had a stagnant take-home pay. The union immediately called for a meeting with all the union members in factory Y to discuss the matters. All of them agreed to a demand for an increase in their COLA instead, owing to the stagnant pay they would be receiving. During that time, they received $15 per month as their COLA whereas the Government stated that the maximum COLA for factory workers should be $30 per month. The workers felt cheated and decided to boycott the company by picketting. They picketted in the company's premises for one whole week.

During the picketting period, no workers turned up for work as almost all the factory workers in factory Y were union members. The factory's production was halted and that cost the company a lot of money. The union committee brought this matter to be settled at the Industrial Court. The dispute ended when the company finally

gave in and increased the COLA to $25 per month as well as abolished the work to rule policy. Things went back to normal after a week and the workers resumed work after that.

In October 1980, there was an amendment in the Labour Laws in this country which stated that the term "salary" was to include basic salary, COLA, bonus, shift allowances and overtime pay. Overtime work was to be paid according to a fixed rate. Due to an increase in demand for the company's products, there was much overtime work. The company did not follow the amended law in giving a fixed rate for overtime pay. Instead, it paid the workers less by calculating the number of hours worked and paying them accordingly. This amounted to less than the fixed rate proposed by the Government. The company reasoned that they did not understand the amendments and thus was unable to comply. Also, since the other companies in Petaling Jaya and Kuala Lumpur did not follow it, the company saw no reason why they should. As a result, the union representatives once again took the case to the Industrial Court and won. Consequently, the overtime pay of the workers was increased to a higher fixed amount.

In 1981, the Government stated that there would be no limits in the amount of COLA given by employers to their employees in the private sector. The union took this opportunity to ask for an increase in the workers' COLA. To avoid another picket, the company agreed to increase it and paid them $55 per month for their COLA. The following year, in 1982, the company once again increased the amount to $75 per month. It was further increased to $80 per month from mid 1983 till

today. As can be seen in Chapter II, the company's profits increased over the years and this could account for the increase in the COLA for the workers.

4.3(f) Relationship with management

At present, the union in factory Y fosters a good relationship with the company's management. This rapport came about after a series of incidents which occured in the company involving both the union and the management just a few years ago.

Case 1

In late 1979, the company invited the former Minister of Labour and Manpower, Datuk Richard Ho, for a meeting at the company's premises. Prior to his visit, the company chose the administrative heads, department representatives and the union committee to attend the meeting with the Minister. The informant strongly felt that the company did not give due respect to the minister by making its workers resume work that day and not declaring it a holiday for all. Also, the union committee wanted all the workers to be involved in the visit by having them greet the minister and to welcome him to the factory. The reason for wanting to do so was to give the workers an opportunity to interact with the minister. The company did not agree with the union's suggestion without giving any reasons. As a result, the union committee boycotted and did not turn up for the meeting with the minister. Thus, the minister only got to meet and interact with the

administrative heads and department representatives. Therefore, he only gained insight about the company's management and not about the environment and working conditions of the factory workers. But during the meeting with the company's management staff, the Minister specifically enquired as to the absence of the factory workers. Those present could not provide a valid reason and in order to please the Minister, they immediately arranged a meeting for the Minister with the union committee. The factory workers were delighted to hear about this impromptu meeting and sounded their grievances to the union committee who will then relate to the Minister.

Case 2

In 1982, there was another visit by a minister, that is the Minister of Welfare and Services, Datin Paduka Rafidah Aziz. This time, the company held a discussion with the union regarding the preparation for her visit. Together they drafted out programmes for that day with the factory workers' interests in mind. During the Minister's visit, all the factory workers participated in greeting and welcoming her to the factory. They were given the opportunity to meet and talk to the Minister. Drinks and light refreshments were provided that day. During the meeting, the Minister discussed on the presentation of souvenirs for employees retiring from the company. The Minister was pleased with the presentation of watches for workers who have worked a certain length of time with the company. She even suggested that female workers with twenty five years of service be given a diamond brooch as a souvenir. This made the female workers very pleased.

The two cases highlighted above clearly show the change in the attitude of the company towards its trade union. The first incident made the company aware of the increasing strength and activeness of the union. It no longer treat their demands lightly and tries to compromise as best as it could to create a peaceful relationship with the union. The company has acquired a new-found respect for its union and no longer adopt the master-servant attitude. The second incident saw the manifestation of this relationship.

Early this year (1984), the union cooperated with the company in launching a productivity campaign. The union suggested that the workers should be made aware of the going-ons of the company through various talks. Topics discussed would include the company's profits, the market situation for its products, the costs of production, the amount of production, etc. The objective of such talks was to highlight the importance of labour contribution in yielding a high productivity rate for the benefit of the company. The workers would be encouraged to be more productive in their work and to adopt a positive attitude towards their roles and responsibilities as factory workers. The company agreed to this project and had several company representatives as well as the union committee [illegible] hold talks everyday for two months to small groups of thirty workers during each session of the campaign. There were two stages to the campaign:

Stage I - talks on productivity given by the company representatives and the union committee.

Stage II - an expansion of Stage I where a selected group of workers

were given courses on management conducted by speakers from the Asia Management Services Company. Selection of the workers was based on their degree of comprehension; those who displayed a higher degree were chosen. The courses were conducted bilingually that is Bahasa Malaysia and English language.

The campaign was a success for the company in that the workers did show a positive attitude towards their work and produced an improved performance. The union also gained more trust, faith and respect from its members following the campaign.

Once every three years, the Collective Agreement will be drafted out between the trade union and the company. Emphasis will be on the running of the company, the working condition, the company's policy and the welfare of its employees. Before, when the relationship between the company and the union was not good, the Collective Agreement took six months to settle. This was because both the parties could not come to a reasonable agreement and found it hard to compromise. However, during the most recent meeting over the Agreement on November 1983, it took only one month to settle. This is mainly due to the improved relationship between the company and the union. Before signing the Agreement, both the parties agreed to have a Minister become a witness for the ceremony. Before, there was not any need for a witness. The company then invited the Deputy Minister of Labour and Manpower, Datuk Zakariah and representatives from the Labour Ministry. To add to the grandeur of the event, the company held a company dinner on the same day that the Collective Agreement was

signed. The dinner was held at a leading international hotel and the costs were fully subsidized by the company. All of the company's employees were invited to the dinner. Several other Ministers were also invited. The company dinner was not held annually but once in three years following the launching of a new Agreement.

Recently, the union committee suggested that the company declare a "Family Day" (a food and fun fair) in its premises for its employees once every two or three years. The objective is to create a good rapport between the management staff and the factory workers of the company. It also aims to encourage interaction among the different ethnic groups among the employees. To encourage participation in the sports and games events, prizes will be given away. The "Family Day" is to be opened to family members of the company's employees. At the time of study, the company had not fully agreed to the suggestion but according to the informant, it was received with enthusiasm by the company.

4.3(g) Attitudes of workers towards union

From the interviews conducted at both factory X and factory Y, the researcher found that all of the respondents were members of the factory union. They were all well aware of the role of a trade union which is to protect them from being exploited by the company, as well as to represent them in sounding their grievances. There was no differences in attitudes held irrespective of race or sex. All of them placed a lot of trust and faith in the union leaders in looking

after their welfare in the factory.

However, on questions regarding a worker's rights to go on strike, the purpose of having a strike and its repercussions, there was a difference in awareness among the respondents. Those in factory X were ignorant about them while those in factory Y were well aware of such things, having participated in a picket before.

The workers in both the factories were very dependant on their trade unions for protection. To them, the union is an organisation with a collective power and a medium for communication between the workers and the employer. Any union member in crisis or in need of a new uniform, shoe or ear-plug will not hesitate to inform the union committee who will then relate them to the company representatives during their meetings. When there is a friction between workers and their heads of departments, the workers will confide in the union committee who will hear them out and will provide them with sound advices. Usually, the workers will be advised to confront the department heads to talk the problem out in a peaceful manner. The union committee is well aware of the workers' reaction to frictions in their work environment and tries to intervene by tracing the root of the problems. Only problems beyond the union's control will be brought to the attention of the company. The union always tries to solve problems among the members peacefully besides attempting to maintain a good image for itself.

4.4 Conclusions

It can be seen that the present labour-management relationship in factory Y is healthy and good. Past experiences made the company aware of the union's strong collective power and its strong leadership displayed by the leader. It is able to exercise its rights and to gain a new-found respect from the company through an encouraging support from its members. The union leader's awareness of the existing Government policies and Labour Laws prevented the company from taking advantage of its employees. As a result, the union was able to foster a mature relationship with the company and they work closely to achieve their respective goals.

Footnotes

1. This was said during an opening address of YB Datuk Richard Ho, Minister of Labour and Manpower, Malaysia; Malaysian Management Review, Vol. 15 No. 2 (1979) p. 7.

2. The Registrar heads the Registry of Trade Union, one of the departments within the Ministry of Labour and Manpower.

3. YB Datuk K. Pathmanaban, Deputy Minister of Labour and Manpower, Malaysia; "Industrial and Labour Relations in Malaysia - A Viewpoint", Malaysian Management Review, Vol. 15, No. 2 (1979) p. 8.

CHAPTER V

CONCLUSION

The objective of this study is to explore the socio-economic aspects of a factory and its factory workers in the metal industry. Being only a case study, it must be emphasized that this research is not representative of the metal industry and thus the findings should not be generalised. Many aspects of work in the factory as well as the socio-economic problems of the factory workers have not been wholly dealt with due to limited time and space. Besides, only a sample of thirty factory workers are chosen as respondents due to constraints placed by the management and the unwillingness of the workers. As such, this small sample may not be representative enough of the general labour force in both the factories. Therefore, this study should not be seen as a typical case of factory work and conditions in the country. In addition, the factory being studied is most untypical of the metal industry because most factories in such an industry are engaged in car-manufacturing and assembling or ship-building which employ mainly male factory workers. Furthermore, they require skilled or semi-skilled labour as this industry is supposed to be more advanced. However this is not so in factory X and factory Y where the work force is female-dominated and involve little skilled labour.

One weakness of this study is the amount of time spent in conducting the research which is considered inadequate. Since the researcher was unable to work in either of the two factories, she could

only spend her time interviewing her respondents and making direct observations of the work environment in the two factories. There was limited time spent on the interviewing of the factory workers. This was because the management allowed them to be interviewed only during their working hours, therefore there was time-constrain. Only a longer period of time can confirm the truth or falsity of some of the conclusions that the researcher has made. As for the respondents interviewed, the weakness lies in the absence of follow-up. The validity of their answers could not be put to test as she never saw them again after the interview.

Ninety per cent of the machines used in factory X is imported and this can be considered as a high technology industry. The production processes are almost fully-automated and unskilled labour which is cheap is used to man the machines. Factory X hires female workers for the unskilled labour because it is cheaper than hiring male unskilled labour to do the same work. This explains why the factory's workforce is female-dominated.

The factory workers studied have low educational level, which is a common feature of factory workers in general. As such, their salaries are low because most companies pay their employees according to their level of education. Low income levels and its insufficiency are among the common complaints of the factory workers and are particularly so for the married ones. Sex discrimination also sets in where income level is concerned. The female workers are lowly paid and they have low annual increments in their salaries.

Nevertheless, they have learnt to accept their low wages as most of them feel that they cannot get the same amount of income if they start work elsewhere. This is one of the reasons why they decide to stay with the company till retirement. Several of the male workers feel that they might change their job when opportunities arise. The male workers are disappointed by a lack in chances of being promoted in their present job, although a majority of them have been working for more than ten years with the company. This could affect their performance as a result of this awareness that they can never get promoted.

This study also reveals that where working mothers are concerned, there is no racial differences. Both races face similar problems of having to work to support their families, as well as being burdened with household chores and family responsibilities. Most of their husbands are low wage-earners like them. As such, they feel that they ought to work to help ease some financial burden off their husbands' chests. Therefore, in general, workers with low educational attainment lack the qualifications to enter jobs which offer a comfortable income. Thus, they end up in blue-collar jobs with low socio-economic status.

The findings of this study reveal that there exists a good industrial relations in both the factories. However, it does not come about without undergoing some rough spots. The trade union in factory Y plays an active role in ensuring that it truly represents and speaks for its members. Its strong leadership and committee which

is backed by the MIEU (one of the stronger unions in this country) makes the union heard. There is a very united workforce in the factory because its factory workers have been working many years in the factory and have known each other very well. There exists minimum racial barriers in the factory. The union ensures that the company implements what is agreed upon by both the parties in the Collective Agreement drawn up every three years. Previously, before the picket staged in 1973, the management of factory Y attempted to foster a master-servant relationship with its factory workers. Through the picket, the union proved that they have a strong collective bargaining power backed by a strong support from its members. The union does not hesitate to display its forcefulness during the incidents involving a visit by a Cabinet Minister. Consequently, the management had a new-found respect for the union and established a healthy labour-management relationship. This goes on to show how an active trade union can protect and prevent any exploitation of the management towards its factory workers who are usually ignorant of their individual rights as workers. Without the powerful trade union, the workers in both the factories could have been well taken advantage of due to their ignorance. Hence, due to the awareness of their roles and rights as workers in a factory, there exists a harmonious working environment. Any complaints about their work will be dealt with by the trade union committee who acts as mediators for the workers and the management. Also, the factory workers treat their supervisors and foremen with respect. This could be because most of them are matured and responsible workers and do not wish to find faults with their subordinates, unlike younger workers

who tend to be more rebellious in nature.

From this study, it can be concluded that the present socio-economic conditions of factory workers is still generally low. There is much room for improvements in the working conditions for factory workers. There exists a demand for more job equity and job security and fairer treatment for women workers. It is a common occurence among the workers that their salaries are not enough to cover living expenses or their psychic income is below subsistence line. It is only logical to deduce that if there is a lot of it going on, it may be a sign that the system has defeated the people. Malaysia should follow some far-sighted industrialised countries (namely Japan, Norway and Sweden) which have shown that working time, job content and work organisation can be changed to give job satisfaction without a loss in productivity. Manufacturing companies in this country ought to have job enrichment schemes involving job autonomy and new training as is found in most industrialised countries. Workers, given more autonomy over working methods and variations in task are likely to increase both their satisfaction and performance.

It would be interesting to see how the factory workers' conditions will be like in about twenty years time - will they still be in the same low socio-economic conditions or will the management restructure their policies to benefit both the parties involved in production?

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